

**DEPARTMENT OF TAXATION
2006 Fiscal Impact Statement**

1. **Patron** G. Glenn Oder

2. **Bill Number** HB 522

3. **Committee** Senate Finance

House of Origin:

Introduced

Substitute

Engrossed

4. **Title** Tire Recycling Fee; Extension of Time

Second House:

In Committee

Substitute

Enrolled

5. **Summary/Purpose:**

This bill would extend from July 1, 2006, to July 1, 2008, the \$1.00 fee imposed on the sale of each new tire. Beginning July 1, 2008, the fee would decrease to \$0.50 per tire.

6. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

6b. **Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2005-06	\$0	NGF
2006-07	\$2.89 million	NGF
2007-08	\$3.00 million	NGF
2008-09	\$0	NGF
2009-10	\$0	NGF
2010-11	\$0	NGF
2011-12	\$0	NGF

7. **Budget amendment necessary:** Yes.

Page 1, Revenue estimates

8. **Fiscal implications:**

TAX has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, TAX considers implementation of this bill as "routine," and does not require additional funding.

TAX will provide specific administrative costs on any legislation that is not "routine." Additionally, TAX will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to pass either house is unusually large, it is possible that additional resources will be required. If so, TAX will identify the costs at that time.

The bill is estimated to increase the Waste Tire Trust Fund by \$2.89 million in FY 2007 and \$3.00 million in FY 2008. The bill would have no impact on revenue for fiscal years 2009 through 2012.

9. Specific agency or political subdivisions affected:

Department of Taxation
Department of Environment Quality

10. Technical amendment necessary: No.

11. Other comments:

Generally

Currently, the law imposes upon every retailer of tires in Virginia a tire-recycling fee of \$1.00 for each new tire sold by such retailer. This rate is set to expire on July 1, 2006, and on that date, the fee rate will change to \$0.50 for each new tire sold by a retailer. This bill would extend the expiration date for the \$1.00 tire-recycling fee from July 1, 2006 to July 1, 2008, and change the commencement date for the imposition of the \$0.50 tire-recycling fee to July 1, 2008.

cc : Secretary of Finance

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