

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB2190

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Hull

**3. Committee**    House Finance

**4. Title**            Motor fuel tax; increase.

**5. Summary/Purpose:** The proposed legislation would increase the tax on gasoline, diesel fuel, and alternative fuel by \$0.055 per gallon; increase the motor carrier road tax by an equivalent of \$0.055 per gallon of fuel used in the Commonwealth; and increase the alternative use fee for certain motor carriers from \$100 to \$150 (the fee is an alternative to paying the motor carrier road tax). The revenue generated is to be used for transportation purposes as required by existing law.

**6. Fiscal Impact Estimates are:** Preliminary. See Item 8.

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0		
2007-08	\$258,000,000		Nongeneral
2008-09	\$289,900,000		Nongeneral
2009-10	\$299,400,000		Nongeneral
2010-11	\$307,700,000		Nongeneral
2011-12	\$314,400,000		Nongeneral
2012-13	\$314,400,000		Nongeneral

**7. Budget amendment necessary:** Yes. Item 437, Item 443, Item 453, and Item 428 if the new revenue is deposited into the Transportation Trust Fund. Item 444 if the funds are deposited into the Highway Maintenance and Operating Fund.

**8. Fiscal implications:** The proposed legislation would increase the tax on gasoline by \$0.055 to a rate of \$0.23 per gallon. The tax rate on diesel fuel would be raised by \$0.055 to a rate of \$0.215 per gallon. The motor carrier road tax is to be raised from \$0.195 to \$0.225 per gallon of fuel used during the carrier's operations in Virginia.

It is not clear into what fund any additional revenue would be deposited. Taxes on motor vehicle fuels are divided between the Highway Maintenance and Operating Fund and the Transportation Trust Fund. The last time the gas tax rates were raised, in legislation passed by the 1986 special session of the General Assembly, the additional revenue was directed to the Transportation Trust Fund. Revenues generated by gas taxes in existence prior to the 1986 special session are deposited into the Highway Maintenance and Operating Fund. As

the bill does not contain language directing the revenue to a specific fund, it is not clear if the intent of this legislation is to place the additional revenue in the Highway Maintenance and Operating Fund or the Transportation Trust Fund.

**9. Specific agency or political subdivisions affected:** Department of Taxation, Department of Transportation, Commonwealth Transportation Board

**10. Technical amendment necessary:** Consider adding language clarifying which transportation fund should receive the new revenues.

**11. Other comments:** Similar to HB 2997 and HB 2464.

**Date:** 01/27/07 / smc

**Document:** F:\SMC\GA\FIS 2007\HB2190.Doc

cc: Secretary of Finance

Secretary of Transportation