

**Virginia Department of Transportation
2007 Fiscal Impact Statement (Regular Session)**

1. Bill Number: HB 2606

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Watts

3. Committee: Finance

4. Title: Motor fuel tax; rate increase

5. Summary/Purpose: This bill increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.10 per gallon; increases the motor carrier road tax by an equivalent of \$0.10 per gallon of fuel used in the Commonwealth; and increases the alternative use fee for certain motor carriers from \$100 to \$150 (the fee is an alternative to paying the motor carrier road tax). All motor fuels taxes will be indexed every two years beginning July 1, 2008, by an amount equal to the percentage change in the U.S. Department of Labor's Producer Price Index for Highway and Street Construction. The revenue generated is used for transportation purposes as required by existing law.

6. Fiscal impact estimates are preliminary.

b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-2007	-	-	-
2007-2008	\$469.1 million	-	NGF
2008-2009	\$644.9 million	-	NGF
2009-2010	\$677.2 million	-	NGF
2010-2011	\$712.4 million	-	NGF
2011-2012	\$729.4 million	-	NGF
2010-2011	\$768.5 million	-	NGF

7. Budget amendment necessary: No.

8. Fiscal implications: The revenues generated by the bill would provide additional revenue to the Highway Maintenance and Operating Fund (HMOF). As a result, crossover of funds from the Transportation Trust Fund to the HMOF is eliminated, making additional funds available for formula construction.

9. Specific agency or political subdivisions affected: Virginia Department of Transportation, districts, and localities.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/26/2007/jlv

Document: G:\06-08\07 Budget Development\FIS\HB2606.Doc Janet Vogelgesang

cc: Secretary of Transportation