

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1266

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Hull

3. Committee: Finance

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

5. Summary: This bill increases the tax on gasoline, diesel fuel, and alternative fuel by \$0.055 per gallon; increases the motor carrier road tax by an equivalent of \$0.055 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). The revenue generated is used for transportation purposes as required by existing law.

6. Fiscal impact estimates: Preliminary. See Item #8.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	-	-	-
2009	\$259.4 million	-	NGF
2010	\$287.0 million	-	NGF
2011	\$293.7 million	-	NGF
2012	\$300.1 million	-	NGF
2013	\$307.3 million	-	NGF

7. Budget amendment necessary: Yes, Item 456.

8. Fiscal implications: In addition to increasing the alternative use fee from \$100 to \$150, this bill increases the tax rate on gasoline, gasohol, and alternative fuel from \$0.175 to \$0.235 per gallon. 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 (\$260 million in FY 2009) to the HMOF is eliminated, freeing up funds available for formula construction.

9. Specific agency or political subdivisions affected: Virginia Department of Transportation, Department of Motor Vehicles.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/22/2008/jlv

Document: G:\08-10\FIS\HB1266.Doc Janet Vogelgesang

cc: Secretary of Transportation