

Department of Planning and Budget
2008 Fiscal Impact Statement

1. Bill Number: HB1357

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Cline

3. Committee: House Finance

4. Title: Excess funds in the Revenue Stabilization Fund.

5. Summary: Excess funds in the Revenue Stabilization Fund. Establishes a mechanism to provide tax relief to Virginia taxpayers when the Auditor of Public Accounts determines the Revenue Stabilization Fund has reached its maximum size as provided in the Constitution of Virginia. The excess funds will be deposited into a special nonreverting fund titled the Virginia Taxpayer Surplus Relief Fund and must be used by the next session of the General Assembly to provide tax relief to Virginia taxpayers. The bill provides that the State Treasurer may make expenditure and disbursements from the Surplus Relief Fund.

6. Fiscal Impact Estimates: See Item 8.

7. Budget Amendment Necessary: No

8. Fiscal Implications: Under the provisions of the bill, excess deposits would be earmarked and dedicated for tax relief and would not be available for appropriation from the general fund or subject for decision-making for the operation of state government. If the bill was in effect July 1, 2007, the excess funds transferred to the general fund in FY 2007 of \$34.2 million would have been deposited into the Surplus Relief Fund. These projected transfers could be considered to be a cost to the general fund.

With an effective date of July 1, 2008, with or without a withdrawal from the Revenue Stabilization Fund, no projected returns to the General Fund are contemplated in the current six-year forecast.

9. Specific Agency or Political Subdivisions Affected: Department of Accounts Transfer Payments, Department of the Treasury

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to HB 1318 as introduced.

Date: 1/22/2008 dpbjwe

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cc: Secretary of Finance