

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB729

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:** Saslaw

**3. Committee:** Finance

**4. Title:** Northern Virginia Transportation Authority; revenues of the Authority.

**5. Summary:** The proposed legislation would authorize the Northern Virginia Transportation Authority (the Authority) to impose a 0.50 percent retail sales and use tax in the counties and cities embraced by the Authority on the storage and use of certain tangible personal property used in Virginia in the construction of certain facilities. The revenues therefrom are to be dedicated to the Authority. If the Authority imposes such a sales and use tax, the Authority would no longer be authorized to impose an additional fee of \$10 on safety inspections, a initial registration fee of one percent, and sales and use tax on motor vehicle repairs.

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

**7. Budget Amendment Necessary:** None.

**8. Fiscal Implications:** The proposed legislation does not impact state revenues, as the Northern Virginia Transportation Authority is a separate entity. Some state agencies are involved in the collection of certain revenue streams of the Authority. The cost of collection is recovered from collected revenues; therefore there is no expenditure impact to the Commonwealth.

The proposed legislation would authorize the Authority to substitute the revenue from a sales and use tax on certain personal property for three other revenue sources. It is assumed that the implementation date of the sales and use tax is January 1, 2009 in order to allow for the appropriate administrative actions to be taken.

**Northern Virginia Transportation Authority**

(millions of dollars)

	<u>Rate</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Sales and Use Tax	0.5%	\$71.2	\$180.5	\$188.8	\$196.8	\$204.7	\$211.6
Auto Repairs	5%	(13.8)	(33.2)	(33.2)	(33.2)	(33.2)	(33.2)
Vehicle Inspection Fee	\$10	(8.1)	(16.2)	(16.2)	(16.2)	(16.2)	(16.2)
First Time Vehicle Registration	1%	(31.4)	(63.9)	(64.4)	(65.4)	(66.4)	(66.4)
Grantor's Tax	\$0.40 per \$100	163.6	172.0	172.4	173.6	175.2	175.2
Motor Vehicle Rental Tax	2%	8.6	8.8	9.0	9.2	9.5	9.5
Transient Occupancy Tax	2%	23.2	24.1	25.2	26.2	27.3	27.3
Local Vehicle Registration Fee	\$10	17.0	17.0	17.0	17.0	17.0	17.0
<b>NVTA Total</b>		<b>\$230.2</b>	<b>\$289.0</b>	<b>\$298.5</b>	<b>\$308.0</b>	<b>\$317.8</b>	<b>\$324.7</b>

**9. Specific Agency or Political Subdivisions Affected:** Department of Taxation, Department of Motor Vehicles, Department of Transportation, the Northern Virginia Transportation Authority and the localities within the Authority

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** None.

**Date:** 2/6/2008 dpb/smc

**Document:** G:\GA\FIS 2008\SB729.doc

cc: Secretary of Transportation