

## Department of Planning and Budget 2009 Fiscal Impact Statement

**1. Bill Number:** HB1967

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:** Massie

**3. Committee:** Appropriations

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

**5. Summary:** This bill 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 must equal at least \$50 million and will be deposited in 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 low- and middle-income taxpayers throughout the Commonwealth.

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

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** Under the provisions of the bill, excess balances in the Revenue Stabilization Fund that exceed \$50 million would be deposited to a special non-reverting fund, not the general fund, and would be earmarked and dedicated for tax relief and would not be available for appropriation from the general fund or subject to decision-making for the operation of state government. If any excess is at least \$50 million, it would be transferred to the Fund and would constitute a cost to the general fund.

With an effective date of July 1, 2009, and a proposed withdrawal of \$490 million from the Revenue Stabilization Fund, no projected returns to the general fund greater than \$50 million are contemplated in the near term.

**9. Specific Agency or Political Subdivisions Affected:** Department of Accounts Transfer Payments.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 2/5/2009 dpb

**Document:** G:\FIS\2009 Fiscal Impact Statements\DOA\HB1967.Doc aek

cc: Secretary of Finance