

DEPARTMENT OF TAXATION

2010 Fiscal Impact Statement

1. **Patron** Charniele L. Herring

3. **Committee** House Finance

4. **Title** Disclosure of Tax Information; Northern
Virginia Transportation Commission

2. **Bill Number** HB 457

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would authorize the Tax Commissioner to provide the Executive Director of the Northern Virginia Transportation Commission, for his confidential use, such tax information that may be necessary to facilitate the collection of the Motor Vehicle Fuel Sales Tax.

This bill would authorize the Tax Commissioner to provide the same information to the Northern Virginia Transportation Commission that it does to the Potomac and Rappahannock Transportation Commission.

The effective date of this bill is not specified.

6. No Fiscal Impact. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

Department of Taxation
Northern Virginia Transportation Commission

10. Technical amendment necessary: No.

11. Other comments:

Background

Prior to January 1, 2010, the Motor Vehicle Fuel Sales Tax was imposed in the Northern Virginia Transportation District and the Potomac and Rappahannock Transportation

District at the rate of 2 percent of the sales price charged by retail dealers of fuel to their customers. The tax was collected by retail dealers of fuel from their customers and remitted to TAX.

Effective January 1, 2010, the Motor Vehicle Fuel Sales Tax is collected by distributors of fuels at the rate of 2.1 percent of the sales price charged by the distributor to any retail dealer for retail sale in the Northern Virginia Transportation District and the Potomac and Rappahannock Transportation District. The revenue from the tax is distributed monthly to the appropriate district and used for transportation needs within the district.

The member localities of the Northern Virginia Transportation District are the Counties of Arlington, Fairfax and Loudoun and the Cities of Alexandria, Fairfax, and Falls Church; and the member localities of the Potomac and Rappahannock Transportation District are the Counties of Prince William and Stafford and the Cities of Fredericksburg, Manassas and Manassas Park. Spotsylvania County will join the Potomac and Rappahannock Transportation District effective February 15, 2010.

Under *Va. Code* § 58.1-3, the Tax Commissioner may not divulge tax information except in certain circumstances. Currently, the Tax Commissioner is authorized to provide to the Executive Director of the Potomac and Rappahannock Transportation Commission, for his confidential use, such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax. The Tax Commissioner is also authorized to divulge tax information to any commissioner of the revenue, director of finance or other similar collector of local taxes who, for the performance of his official duties, provides a written request. TAX currently provides this information to the Northern Virginia Transportation Commission under a Memorandum of Authority.

Proposal

This bill would authorize the Tax Commissioner to provide the Executive Director of the Northern Virginia Transportation Commission, for his confidential use, such tax information that may be necessary to facilitate the collection of the Motor Vehicle Fuel Sales Tax.

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The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 1/17/2010 AM
DLAS File Name: HB457F161