

## Department of Planning and Budget 2010 Fiscal Impact Statement

**1. Bill Number:** SB132

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

**2. Patron:**        Obenshain

**3. Committee:** Senate Finance

**4. Title:**        **Retail sales and use tax; distribution to Transportation Trust Fund.**

**5. Summary:** The proposed legislation would increase the amount of the retail sales and use tax which is distributed to the Transportation Trust Fund in any fiscal year in which certain conditions are met. The current distribution of one-half percent would be increased to the amount generated by one percent if the Comptroller determined that (i) the growth in general fund revenues for the most recently completed fiscal year was at least three percent, and (ii) the actual dollar increase in general fund revenues for the most recently completed fiscal year was at least equal to the sales and use tax revenue generated by a one-half percent sales and use tax. The increase amount transferred to the fiscal year would only be made in the fiscal year in which the two conditions are met.

**6. Fiscal Impact Estimates:** Preliminary.

<i>General Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2011	(\$383,100,000)
FY 2012	(\$431,600,000)
FY 2013	(\$448,800,000)
FY 2014	(\$468,900,000)
FY 2015	(\$491,600,000)
FY 2016	(\$513,800,000)

<i>Nongeneral Fund</i>	
<i>Fiscal Year</i>	<i>Amount</i>
FY 2011	\$383,100,000
FY 2012	\$431,600,000
FY 2013	\$448,800,000
FY 2014	\$468,900,000
FY 2015	\$491,600,000
FY 2016	\$513,800,000

**7. Budget Amendment Necessary:** Yes. Item 452. The reduction in general fund revenues would likely require offsetting reductions in general fund appropriations for some programs or some agencies next biennium.

**8. Fiscal Implications:** The additional one-half percent of the state retail sales and use tax to be transferred currently supports the general fund. The estimates on Line 6 represent the amount of revenue that would be lost if the conditions are met based on current revenue estimates.

The additional sales and use tax revenue would be deposited into the Transportation Trust Fund. This fund is divided among the various transportation modes, with 2.4 percent allocated to airports, 4.2 percent allocated to ports, 14.7 percent allocated to mass transit and the remaining 78.7 percent available for road projects.

**9. Specific Agency or Political Subdivisions Affected:** general fund supported programs, Department of Taxation, Department of Aviation, Virginia Port Authority, Department of Rail and Public Transportation, Department of Transportation

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

**11. Other Comments:** None.

**Date:** 2/12/2010 dpb/smc

**Document:** G:\GA\FIS 2010\SB132.doc