

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1086

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Hanger

3. Committee: Finance

4. Title: Motor vehicle sales and use tax; exemptions.

5. Summary: The proposed legislation would exempt from the motor vehicle sales and use tax certain four-wheel plug-in electric vehicles. The exemption would be limited to 10 vehicles owned by a business and one vehicle owned by an individual. The exemption would expire beginning July 1, 2014.

6. Budget Amendment Necessary: Yes, revenues on the front page.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$36,500	0	Motor Vehicle Funds
2012	\$0	0	
2013	\$0	0	
2014	\$0	0	
2015	\$0	0	
2016	\$0	0	
2017	\$0	0	

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	
2012	\$6,150,000	Highway Maintenance and Operating Fund
2013	\$6,150,000	Highway Maintenance and Operating Fund
2014	\$6,150,000	Highway Maintenance and Operating Fund
2015	\$0	
2016	\$0	
2017	\$0	

8. Fiscal Implications: The proposed legislation would require a one-time expenditure of \$36,500 for start-up costs in FY 2011 by the Department of Motor Vehicles. Assuming sales of 5,000 qualifying vehicles per year with an average sales price (tax basis) of \$41,000 per

vehicle, the bill would reduce motor vehicle sales and use tax revenue by \$6.15 million for each of the three years the exemption is in effect.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles,
Department of Transportation

10. Technical Amendment Necessary: None.

11. Other Comments: None.

Date: 1/31/2011 dpb/smc

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