

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB1241

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Purkey

3. Committee: Finance

4. Title: Motor fuels tax; indexed.

5. Summary: This bill requires that the motor fuels tax rate be indexed on January 1, 2014, and each year thereafter, to the average percentage change in the U.S. Department of Transportation's Transportation Services Index for the three years ending October 31 of the year immediately preceding the affected year.

6. Budget Amendment Necessary: Yes, Item 447.

7. Fiscal Impact Estimates: Preliminary. See #8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	\$18,150	-	Nongeneral Fund

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$7,000,000	Nongeneral Fund
2015	\$24,500,000	Nongeneral Fund
2016	\$42,600,000	Nongeneral Fund
2017	\$62,500,000	Nongeneral Fund
2018	\$85,900,000	Nongeneral Fund

8. Fiscal Implications: The estimated transportation revenue impact was calculated by the Department of Taxation using motor fuel consumption estimates from the December 2011 Commonwealth Transportation Fund forecast. The new motor fuel tax rate is to be determined each fiscal year based on the average growth of the Transportation Services Index for the previous three years, and the new rate will go into effect on January 1 each year. Due to the lag between the period when the new rate takes effect and the collection of that revenue, each year will collect seven months at the prior fiscal year's rate and five months at the new rate. The Department of Motor Vehicles will incur a one-time cost of \$18,150 to implement the provisions of this legislation and will absorb this cost within existing resources.

FY 2014 reflects five months calculated at the new rate.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/24/12

Document: Janet Vogelgesang G:\12-14\FIS\HB1241.doc

c: Secretary of Transportation