

## Department of Planning and Budget 2012 Fiscal Impact Statement

**1. Bill Number:** HB23

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

**2. Patron:** Cole

**3. Committee:** House Finance

**4. Title:** Sales and use tax revenue dedicated to the Transportation Trust Fund.

**5. Summary:** The proposed legislation would increase the amount of sales and use tax revenue dedicated to the Transportation Trust Fund (TTF) from an amount generated by a 0.5 percent tax rate under current law to an amount generated by a one percent tax rate. The increase would begin July 1, 2012, when the TTF share is to be increased to 0.6 percent. Starting October 1, 2013, and each year thereafter until October 1, 2016, the TTF share shall be increased by 0.1 percent. The bill contains a provision to postpone an increase until the next year if the general fund revenue forecast is less than 0.1 percent greater than the general fund revenues collected for the previous fiscal year.

**6. Budget Amendment Necessary:** Yes, the bill would require a reduction of general fund appropriation and an increase in the Transportation Trust Fund.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**7a. Revenue Impact:**

Fiscal Year	General Fund	Transportation Trust Fund
2012	\$0	\$0
2013	(\$108,800,000)	\$108,800,000
2014	(\$196,900,000)	\$196,900,000
2015	(\$323,400,000)	\$323,400,000
2016	(\$462,300,000)	\$462,300,000
2017	(\$611,100,000)	\$611,100,000
2018	(\$668,800,000)	\$668,800,000

**8. Fiscal Implications:** The Governor's introduced budget assumes an increase of .005 percent in the TTF share of the sales and use tax for the biennium and deposits the funding in the Highway Maintenance and Operating Fund (HMOF). Therefore, the introduced budget includes a general fund reduction and an HMOF increase of \$54.4 million in FY13 and \$56.6 million in FY14. This proposed legislation would redirect an additional .005 percent from the general fund to transportation for all of FY 2013 and the first half of FY 2014 and .015 percent in the second half of FY 2014. This proposed legislation's net impact to the introduced budget is an additional transfer of \$54.4 million from the general fund to the

Transportation Trust Fund in FY13 and a \$140.3 million transfer in FY14. The table above reflects the full amount of the transfer required by this bill, including the amounts already adjusted in the introduced budget for the Governor's proposed legislation.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Transportation, Department of Treasury

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

**11. Other Comments:** Similar to the sales and use tax transfer component of HB 1248 and SB 639.

**Date:** 2/3/2012 dpb/smc

**Document:** G:\GA\FIS 2012\HB23.doc