

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1438

House of Origin    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
Second House    ☐ In Committee    ☐ Substitute    ☐ 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. The bill contains technical amendments.

**6. Budget Amendment Necessary:** Yes, Item 447.

**7. Fiscal Impact Estimates:** Preliminary.

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$7,400,000	Highway Maintenance and Operating Fund
2015	\$25,200,000	Highway Maintenance and Operating Fund
2016	\$41,500,000	Highway Maintenance and Operating Fund
2017	\$57,200,000	Highway Maintenance and Operating Fund
2018	\$75,200,000	Highway Maintenance and Operating Fund

**8. Fiscal Implications:** According to the Department of Taxation, fuel consumption estimates used in the revenue estimate are taken from the November 2012 Commonwealth Transportation Fund forecast. The bill's proposed tax rate is to be determined each fiscal year based on the average growth in the Transportation Services Index (September to October) for the previous three years, with the new rate taking effect on January 1 of each year. Therefore, due to the lag between the determination of the new rate and the collection of taxes at that rate, each year will consist of seven months collected at the previous year's rate and five months at the new rate. Any additional revenues collected are directed to the Highway Maintenance and Operating Fund.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** Revenue estimates for FY 2014 reflect a five month impact from the bill.

**Date:** 1/9/13

**Document:** Janet Vogelgesang G:\12-14\2013\FIS\HB1438.docx

c: Secretary of Transportation