

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: HB65

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: Marshall, D.W.

3. Committee: Finance

4. Title: Motor vehicle sales and use tax; definition of sale price.

5. Summary: This bill excludes from the sale price for determining motor vehicle sales and use tax the amount of any credit given by the seller for any motor vehicle taken as a trade-in.

6. Budget Amendment Necessary: No.

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

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	(\$115,100,000)	Commonwealth Transportation Fund
2016	(\$129,700,000)	Commonwealth Transportation Fund
2017	(\$133,000,000)	Commonwealth Transportation Fund
2018	(\$132,900,000)	Commonwealth Transportation Fund
2019	(\$132,100,000)	Commonwealth Transportation Fund
2020	(\$132,000,000)	Commonwealth Transportation Fund

8. Fiscal Implications: According to estimates prepared by the Department of Taxation, the proposed legislation would reduce Commonwealth Transportation Fund revenues. The forecast for FY 2015 reflects an 11-month effect of the legislation.

The Department of Taxation estimate assumes that 60 percent of vehicle sales will involve a trade-in, and that trade-in allowances represent 15 percent of total taxable sales of all new and used vehicles combined.

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

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to HB 148.

Date: 1/14/14

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C: Secretary of Transportation