

## Department of Planning and Budget

### 2014 Fiscal Impact Statement

**1. Bill Number:** SB159

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

**2. Patron:** Miller

**3. Committee:** Finance

**4. Title:** Annual license tax on certain vehicles

**5. Summary:** This bill repeals the \$64 annual license tax on hybrid electric motor vehicles and alternative fuel vehicles that was first imposed beginning July 1, 2013. The bill also lowers the annual license tax for electric motor vehicles to \$50 per year, the rate that was in effect on June 30, 2013. The bill provides for refunds of the license tax paid on hybrid electric motor vehicles and alternative fuel vehicles for registration years beginning on or after July 1, 2014, and for a refund of the difference between the \$64 rate and the \$50 rate for the license tax paid on electric motor vehicles for registration years beginning on or after July 1, 2014.

**6. Budget Amendment Necessary:** Yes, Item 445.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014	\$102,760	-	Motor Vehicle Special Fund

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
		<b>REFUND</b>
2015	(\$2,200,000)	Highway Maintenance and Operating Fund

**REVENUE IMPACT**

2015	(\$6,900,000)	Highway Maintenance and Operating Fund
2016	(\$7,800,000)	Highway Maintenance and Operating Fund
2017	(\$8,900,000)	Highway Maintenance and Operating Fund
2018	(\$10,000,000)	Highway Maintenance and Operating Fund
2019	(\$11,100,000)	Highway Maintenance and Operating Fund
2020	(\$11,300,000)	Highway Maintenance and Operating Fund

**8. Fiscal Implications:** This bill repeals the \$64 annual license tax on hybrid electric motor vehicles and the increase in the electric vehicle tax imposed by HB 2313, effective July 1, 2013. The bill provides for refunds of the license tax paid on hybrid electric motor vehicles for registration years beginning on or after July 1, 2014. The bill also reduces the license tax

on 100 percent electric plug-in vehicles from \$64 to \$50 and refunds the difference in the license tax on electric plug-in vehicles for registration years beginning after July 1, 2014. Since the tax was implemented on July 1, 2013, 75,500 drivers have paid a licensing tax for hybrid vehicles. There are currently 1,500 electric plug-in vehicles registered in Virginia.

To implement the provisions of the proposed legislation, the Department of Motor Vehicles will incur a one-time information technology cost of \$102,760, which would be absorbed within existing resources.

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

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

**11. Other Comments:** None.

**Date:** 1/15/14

**Document:** Janet Vogelgesang G:\14-16\2014 FIS\SB159.docx

C: Secretary of Transportation