

## Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB140

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed

**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Petersen

3. **Committee:** Finance

4. **Title:** Motor vehicle fuels sales tax in certain transportation districts

5. **Summary:** This bill establishes a floor on the 2.1 percent tax imposed on motor vehicle fuels sold in Northern Virginia by requiring that the average wholesale price upon which the tax is based be no less than the statewide average sales price on February 20, 2013.

6. **Budget Amendment Necessary:** No.

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

### Revenue Impact

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	\$32,340,000	NVTC & PRTC*
2020	\$30,900,000	NVTC & PRTC
2021	\$28,400,000	NVTC & PRTC
2022	\$26,000,000	NVTC & PRTC
2023	\$23,700,000	NVTC & PRTC
2024	\$23,100,000	NVTC & PRTC

\* Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission

8. **Fiscal Implications:** The revenue impact for FY 2019 reflects 11 months of revenue; taxpayers are required to pay the tax on the 20<sup>th</sup> day of the second month following the month in which the activity occurred, but must file and pay both April and May taxes in June. The additional funding would be remitted to the transportation commissions using the existing process. Pursuant to Va. Code § 58.1-2299.20, the Department of Motor Vehicles will recover the direct costs of administration of the Motor Vehicle Fuels Sales Tax from the transportation commissions.

While the imposition of a floor of the February 20, 2013, wholesale price will generate additional funding, the amount of the increase is anticipated to decline over time as the difference between the forecasted growth of the distributor's price and the floor price narrows.

**9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Department of Transportation, Northern Virginia Transportation Commission, Potomac and Rappahannock Transportation Commission.

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

**11. Other Comments:** None.

**Date:** 1/30/2018

**Document:** G:\18-20\FIS 2018\SB140.docx

cc: Secretary of Transportation