

State Corporation Commission 2023 Fiscal Impact Statement

1. Bill Number: SB1182

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Ruff

3. Committee: Commerce and Labor

4. Title: Banks; payment of franchise tax.

5. Summary: Establishes a process, as of January 1, 2024, whereby banks having \$40 billion or greater in Virginia deposits based on the June 30 FDIC deposit market share report of the preceding tax year may elect to pay the bank franchise tax to the Department of Taxation and are bound by such election for 10 years absent permission from the Tax Commissioner. The bill directs the Department of Taxation, as of January 1, 2025, to apportion 80 percent of the bank franchise tax revenue from banks making such an election to localities through the newly created Local Bank Franchise Tax Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission.

8. Fiscal Implications: None on the State Corporation Commission.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission and the Commission's Bureau of Financial Institutions.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

01/18/2023

EJF