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SENATE BILL NO. 570

Offered January 22, 1996

A BILL to amend and reenact §§ 58.1-1720 and 58.1-1724 of the Code of Virginia, relating to motor vehicle fuel sales tax in certain transportation districts.

Patron—Edwards (By Request)

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That §§ 58.1-1720 and 58.1-1724 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-1720. Sales tax on fuel in certain transportation districts.

A. There is hereby levied, in addition to all other taxes imposed on fuels subject to tax under Chapter 21 (§ 58.1-2100 et seq.) of this title, in every county or city which is a member of (i) any transportation district in which a rapid heavy rail commuter mass transportation system operating on an exclusive right-of-way and a bus commuter mass transportation system are owned, operated or controlled, by an agency or a commission as defined in § 15.1-1344, ~~or in~~ (ii) any transportation district which is subject to § 15.1-1357 (b) (6) and which is contiguous to the Northern Virginia Transportation District, ~~or~~ (iii) any transportation district consisting of a city with a population of at least 90,000 but not more than 100,000 and any adjacent county or city, a sales tax of two percent of the retail price of such fuels sold within such county or city. As used in this section, "retail sale" means a sale to a consumer or to any person for any purpose other than resale.

B. The tax imposed under this section shall be subject to the provisions of the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.), except that the exemption provided for motor vehicle fuels under § 58.1-609.13, and the bracket system provided in such act, shall not be applicable.

§ 58.1-1724. Disposition of tax revenues.

All taxes paid to the Commissioner pursuant to this article, after subtraction of the direct costs of administration by the Department, shall be deposited in a special fund entitled the "Special Fund Account of the Transportation District of....." The amounts deposited in the special fund shall be distributed monthly to the applicable transportation district commission of which the county or city is a member to be applied to the operating deficit, capital and debt service of the mass transit system of such district; ~~or however,~~ in the case of a transportation district (i) subject to the provisions of § 15.1-1357 (b) (6), ~~to be~~ or (ii) consisting of a city with a population of at least 90,000 but not more than 100,000 and any adjacent county or city, such amounts shall be applied to and expended for any transportation purpose of such district. In the case of a jurisdiction which, after July 1, 1989, joins a transportation district which was established on or before January 1, 1986, and is also subject to § 15.1-1357 (b) (6), the funds collected from that jurisdiction shall be applied to and expended for any transportation purpose of such jurisdiction. The direct costs of administration shall be credited to the funds appropriated to the Department.

INTRODUCED

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