

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB1410

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Marshall, R.G.

3. Committee: Appropriations

4. Title: Motor fuels; reduces tax rate on gasoline and gasohol.

5. Summary: This bill reduces the motor fuels tax on gasoline and gasohol from 5.1 percent to 3.5 percent of the statewide average wholesale price of a gallon of unleaded regular gasoline. The rate increased from 3.5 percent to 5.1 percent on January 1, 2015, as required by Chapter 766 of the Acts of Assembly of 2013, because Congress did not pass a law permitting the Commonwealth to require out-of-state sellers to collect and remit sales and use tax.

6. Budget Amendment Necessary: No.

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

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	-	-
2016	(\$173,000,000)	HMOF, TTF
2017	(\$191,800,000)	HMOF, TTF
2018	(\$194,000,000)	HMOF, TTF
2019	(\$196,700,000)	HMOF, TTF
2020	(\$199,400,000)	HMOF, TTF
2021	(\$201,800,000)	HMOF, TTF
2022	(\$204,300,000)	HMOF, TTF

8. Fiscal Implications: The Department of Taxation has estimated that the tax cuts proposed in this legislation would reduce revenues to the Highway Maintenance and Operating Fund and the Transportation Trust Fund by approximately \$200 million each year (beginning with a projected loss of \$173.3 million in FY 2016 and rising each year thereafter, to an estimated loss of \$204.3 million in FY 2022).

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

10. Technical Amendment Necessary: No.

11. Other Comments: According to the Department of Taxation, in FY 2016 there would be one month of collection at the 5.1 percent rate due to lag.

Date: 1/13/15

Document: Janet Vogelgesang G:\14-16\2015 FIS\HB1410.docx

c: Secretary of Transportation