

Senate Bill No. 303

(By Senators Cole (Mr. President) and Kessler,

By Request of the Executive)

[Introduced January 26, 2015; referred to the Committee on Education; and then to the
Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-15-30 of the Code of West Virginia, 1931, as amended, relating to certain deposits of tax proceeds; reducing amount of sales tax proceeds annually dedicated to the School Major Improvement Fund by \$2,000,004 for fiscal years 2016, 2017, 2018, 2019 and 2020; reducing amount of sales tax proceeds annually dedicated to the School Construction Fund by \$6 million for fiscal years 2016, 2017, 2018, 2019 and 2020; and making stylistic changes.

Be it enacted by the Legislature of West Virginia:

That §11-15-30 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

§11-15-30. Proceeds of tax; appropriation of certain revenues.

(a) The proceeds of the tax imposed by this article shall be deposited in the General Revenue

1 Fund of the state except as otherwise expressly provided in this article.

2 (b) School Major Improvement Fund. -- After the payment or commitment of the proceeds
3 or collections of this tax for the purposes set forth in sections sixteen and eighteen of this article, on
4 the first day of each month, there shall be dedicated monthly from the collections of this tax, the
5 amount of \$416,667 and the amount dedicated shall be deposited on a monthly basis into the School
6 Major Improvement Fund created pursuant to section six, article nine-d, chapter eighteen of this
7 code: Provided, That for fiscal years 2016, 2017, 2018, 2019 and 2020, the amount so dedicated
8 annually under this subdivision is reduced by \$2,000,004, and the amount so dedicated monthly is
9 reduced to \$250,000 for fiscal years 2016, 2017, 2018, 2019 and 2020. This reduction shall cease
10 for fiscal years beginning after June 30, 2020.

11 (c) *School Construction Fund.* -- After the payment or commitment of the proceeds or
12 collections of this tax for the purposes set forth in sections sixteen and eighteen of this article:

13 (1) On the first day of each month, there shall be dedicated monthly from the collections of
14 this tax the amount of \$1,416,667 and the amount dedicated shall be deposited into the School
15 Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this code.

16 (2) Effective July 1, 1998, there shall be dedicated from the collections of this tax an amount
17 equal to any annual difference that may occur between the debt service payment for the 1997 fiscal
18 year for school improvement bonds issued under the Better School Building Amendment under the
19 provisions of article nine-c, chapter eighteen of this code and the amount of funds required for debt
20 service on these school improvement bonds in any current fiscal year thereafter: Provided, That for
21 fiscal years 2016, 2017, 2018, 2019 and 2020, the amount so dedicated annually under this

1 subdivision is reduced by \$6 million . This reduction shall cease for fiscal years beginning after June
2 30, 2020. This annual difference shall be prorated monthly, added to the monthly deposit in
3 subdivision (1) of this subsection and deposited into the School Construction Fund created pursuant
4 to section six, article nine-d, chapter eighteen of this code.

5 (d) *Prepaid wireless calling service.* -- The proceeds or collections of this tax from the sale
6 of prepaid wireless service are dedicated as follows:

7 (1) The tax imposed by this article upon the sale of prepaid wireless calling service is in lieu
8 of the wireless enhanced 911 fee imposed by section six-b, article six, chapter twenty-four of this
9 code.

10 (2) Within thirty days following the end of each calendar month, the Tax Commissioner shall
11 remit to the Public Service Commission the proceeds of the tax imposed by this article upon the sale
12 of prepaid wireless calling service in the preceding month, determined as follows: For purposes of
13 determining the amount of those monthly proceeds, the Tax Commissioner shall use an amount equal
14 to one twelfth of the wireless enhanced 911 fees collected from prepaid wireless calling service
15 under section six-b, article six, chapter twenty-four of this code during the period beginning on -July
16 1, 2007, and ending on June 30, 2008. Beginning on July 1, 2009, the Tax Commissioner shall
17 adjust this amount annually by an amount proportionate to the increase or decrease in the enhanced
18 wireless 911 fees paid to the Public Service Commission under said section during the previous
19 twelve months. The Public Service Commission shall receive, deposit and disburse the proceeds in
20 the manner prescribed in said section.

NOTE: The purpose of this bill is to reduce the amount of sales tax proceeds dedicated to the School Major Improvement Fund by \$2,000,004 for fiscal years 2016, 2017, 2018, 2019 and 2020, and to reduce the amount of sales tax proceeds dedicated to the School Construction Fund by \$6 million for fiscal years 2016, 2017, 2018, 2019 and 2020, and to make stylistic changes consistent with current drafting practices.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.