

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 4497

**FISCAL
NOTE**

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[Introduced February 11, 2016; referred to the
committee on Roads and Transportation then
Finance.]

1 A BILL to amend and reenact §11-15-30 of the Code of West Virginia, 1931, as amended; and to
 2 amend and reenact §17-3-1 of said code, all relating to dedicating consumer sales tax
 3 collected on sales of automobile parts to the State Road Fund.

Be it enacted by the Legislature of West Virginia:

1 That §11-15-30 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted, and that §17-3-1 of said code be amended and reenacted, all to read as follows:

CHAPTER 11. TAXATION.

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

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

1 (a) The proceeds of the tax imposed by this article shall be deposited in the General
 2 Revenue Fund of the state except as provided in subsection (e) of this section or otherwise
 3 expressly provided in this article.

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

13 (c) *School Construction Fund.* -- After the payment or commitment of the proceeds or
 14 collections of this tax for the purposes set forth in section sixteen of this article:

15 (1) On the first day of each month, there shall be dedicated monthly from the collections
 16 of this tax the amount of \$1,416,667 and the amount dedicated shall be deposited into the School

17 Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this code.(2)
18 Except as provided in subdivision (3) of this subsection, effective July 1, 1998, there shall be
19 dedicated from the collections of this tax an amount equal to any annual difference that may occur
20 between the debt service payment for the 1997 fiscal year for school improvement bonds issued
21 under the Better School Building Amendment under the provisions of article nine-c, chapter
22 eighteen of this code and the amount of funds required for debt service on these school
23 improvement bonds in any current fiscal year thereafter. This annual difference shall be prorated
24 monthly, added to the monthly deposit in subdivision (1) of this subsection and deposited into the
25 School Construction Fund created pursuant to section six, article nine-d, chapter eighteen of this
26 code.

27 (3) After June 30, 2015, the provisions of subdivision (2) of this subsection shall have no
28 force or effect. After June 30, 2015, there shall be dedicated from the collections of this tax the
29 amount of \$27,216,996 annually. This amount shall be prorated monthly and added to the monthly
30 deposit in subdivision (1) of this subsection and deposited into the School Construction Fund
31 created pursuant to section six, article nine-d, chapter eighteen of this code: *Provided*, That for
32 fiscal year 2016, the amount so dedicated annually under this subdivision is reduced by \$6 million.
33 This reduction shall cease for fiscal years beginning after June 30, 2016.

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

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

39 (2) Within thirty days following the end of each calendar month, the Tax Commissioner
40 shall remit to the Public Service Commission the proceeds of the tax imposed by this article upon
41 the sale of prepaid wireless calling service in the preceding month, determined as follows: For
42 purposes of determining the amount of those monthly proceeds, the Tax Commissioner shall use

43 an amount equal to one twelfth of the wireless enhanced 911 fees collected from prepaid wireless
44 calling service under section six-b, article six, chapter twenty-four of this code during the period
45 beginning on July 1, 2007, and ending on June 30, 2008. Beginning on July 1, 2009, the Tax
46 Commissioner shall adjust this amount annually by an amount proportionate to the increase or
47 decrease in the enhanced wireless 911 fees paid to the Public Service Commission under said
48 section during the previous twelve months. The Public Service Commission shall receive, deposit
49 and disburse the proceeds in the manner prescribed in said section.

50 (e) Tax on sale of automobile parts. – Effective January 1, 2017, all tax collected on sale
51 of automobile parts under the provisions of this article, after deducting the amount of any refunds
52 lawfully paid, shall be deposited in the State Road Fund in the State Treasurer's office and used
53 only for the purposes stated in section one, article three, chapter seventeen of this code.

CHAPTER 17. ROADS AND HIGHWAYS.

ARTICLE 3. STATE ROAD FUND.

§17-3-1. What constitutes fund; payments into fund; use of money in fund.

1 There shall be a State Road Fund, which shall consist of the proceeds of all tax collected
2 on sale of automobile parts as provided in subsection (e), section thirty, article fifteen, chapter
3 eleven of this code, of the proceeds of all state license taxes imposed upon automobiles or other
4 motor or steam driven vehicles; the registration fees imposed upon all owners, chauffeurs,
5 operators and dealers in automobiles or other motor driven vehicles; all sums of money which
6 may be donated to such fund; all proceeds derived from the sale of state bonds issued pursuant
7 to any resolution or act of the Legislature carrying into effect the "Better Roads Amendment" to
8 the Constitution of this state, adopted in November, 1964, except that the proceeds from the sale
9 of these bonds shall be kept in a separate and distinct account in the State Road Fund; all
10 proceeds from the sale of state bonds issued pursuant to any resolution or act of the Legislature
11 carrying into effect the "Safe Roads Amendment of 1996" to the Constitution of this state, adopted

12 in the November, 1996, except that the proceeds from the sale of these bonds shall be kept in a
13 separate and distinct account in the state road fund; all moneys and funds appropriated to it by
14 the Legislature; and all moneys allotted or appropriated by the federal government to this state
15 for road construction and maintenance pursuant to any act of the Congress of the United States;
16 the proceeds of all taxes imposed upon and collected from any person, firm or corporation and of
17 all taxes or charges imposed upon and collected from any county, district or municipality for the
18 benefit of the fund; the proceeds of all judgments, decrees or awards recovered and collected
19 from any person, firm or corporation for damages done to, or sustained by, any of the state roads
20 or parts thereof; all moneys recovered or received by reason of the violation of any contract
21 respecting the building, construction or maintenance of any state road; all penalties and forfeitures
22 imposed, recovered or received by reason thereof; and any and all other moneys and funds
23 appropriated to, imposed and collected for the benefit of such fund, or collected by virtue of any
24 statute and payable to such fund: *Provided*, That notwithstanding any provisions of this code to
25 the contrary, 50¢ of every license fee paid pursuant to the provisions of subdivision (2), subsection
26 (a), section eight, article two, chapter seventeen-b of this code shall be paid to the special fund
27 established pursuant to the provisions of subsection (a), section twelve, article two, chapter three
28 of this code.

29 When any money is collected from any of the sources aforesaid, it shall be paid into the
30 State Treasury by the officer whose duty it is to collect and account for the same, and credited to
31 the state road fund, and shall be used only for the purposes named in this chapter, which are: (a)
32 To pay the principal and interest due on all state bonds issued for the benefit of said fund, and
33 set aside and appropriated for that purpose; (b) to pay the expenses of the administration of the
34 road department; and (c) to pay the cost of maintenance, construction, reconstruction and
35 improvement of all state roads.

NOTE: The purpose of this bill is to provide for sales taxes collected on sales of automobile

parts to be deposited into the State Road Fund.

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