Resources

Senate Finance Committee
Virginia General Assembly

February 21, 2016
Proposed Changes to Resources for SB 29 and SB 30, as Introduced
February 21, 2016

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>2016-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unappropriated Balance as Introduced</strong></td>
<td>$ 425,962,078</td>
<td>$ 178,485,802</td>
<td>$ (160,886,575)</td>
<td>$ 17,599,227</td>
</tr>
<tr>
<td><strong>Change to Balance Forward</strong></td>
<td></td>
<td>31,169,383</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Changes to Resources</strong></td>
<td>5,169,264</td>
<td>45,287,521</td>
<td>88,977,521</td>
<td>134,265,042</td>
</tr>
<tr>
<td><strong>Net Spending</strong></td>
<td>(26,000,119)</td>
<td>56,045,057</td>
<td>69,816,399</td>
<td>125,861,456</td>
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<tr>
<td><strong>Ending Balance/Unappropriated Balance</strong></td>
<td>$ 457,131,461</td>
<td>$ 198,897,649</td>
<td>(141,725,453)</td>
<td>$ 57,172,196</td>
</tr>
</tbody>
</table>

**REVENUES/RESOURCES**

Changes to Balances

- Balance from local historical project (funded in SB 30) | $ 2,000,000 | $0 | $0 | $0 |
- Legislative Agency Balances | 1,425,264 | 0 | 0 | 0 |
- Judicial Balances | 400,000 | 0 | 0 | 0 |

Changes to Revenues

- Reverse Corporate tax rate cut (SB 326 did not pass) | 0 | 17,200,000 | 46,500,000 | 63,700,000 |
- Reverse personal exemption increase (SB 289 did not pass) | 0 | 13,900,000 | 28,100,000 | 42,000,000 |
- No interest on select sales tax refunds - SB 444 | 0 | 1,900,000 | 1,900,000 | 3,800,000 |
- Additional Compliance Revenue - SB 230 | 0 | 100,000 | 100,000 | 200,000 |
- Cap on Coal Tax Credits - SB 44 and SB 718 | 0 | 900,000 | 200,000 | 1,100,000 |
- Repeal tax credit for political contributions - SB 115 | 0 | 0 | 670,000 | 670,000 |
- Reverse Angel Investor Bill - SB 200/SB 749 (continued) | 0 | 4,000,000 | 4,000,000 | 8,000,000 |
- Large Firm R&D Tax Credit Cap to $20m - SB 58 | 0 | 0 | (5,000,000) | (5,000,000) |
- State Police: Firearms Transaction Fees | 180,000 | 280,000 | 600,000 | 880,000 |

Changes to Transfers

- SB 444 Sales Tax K-12 Component | 0 | 209,559 | 209,559 | 419,118 |
- Mid-session Re-forecast Sales Tax K-12 Component | (3,200,000) | (3,200,000) | (3,200,000) | (6,400,000) |
- Cost Recovery Adjustment - Central Service Agencies | 0 | 4,569,892 | 4,569,892 | 9,139,784 |
Proposed Changes to Resources for SB 29 and SB 30, as Introduced  
February 21, 2016

<table>
<thead>
<tr>
<th></th>
<th>SB 29 FY 2016</th>
<th>SB 29 FY 2017</th>
<th>SB 29 FY 2018</th>
<th>SB 29 2016-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>VASAP FY 2016 Balance</td>
<td>500,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Balance from Disaster Recovery Fund (DEM)</td>
<td>64,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ABC - New Year's Day &amp; earlier Sunday opening</td>
<td>0</td>
<td>728,070</td>
<td>728,070</td>
<td>1,456,140</td>
</tr>
<tr>
<td>ABC - Profits Adjustment</td>
<td>3,800,000</td>
<td>4,700,000</td>
<td>9,600,000</td>
<td>14,300,000</td>
</tr>
<tr>
<td><strong>Total, Revenues/Resources</strong></td>
<td><strong>$5,169,264</strong></td>
<td><strong>$45,287,521</strong></td>
<td><strong>$88,977,521</strong></td>
<td><strong>$134,265,042</strong></td>
</tr>
</tbody>
</table>
Legislative Department

Legislative Department Reversion Clearing Account

Language:

Page 5, line 2, strike "Not set out." and insert:
Drawn to Chapter 665.
"D. On or before June 30, 2016, the Committee on Joint Rules shall authorize the reversion to the general fund of $1,425,264, representing savings generated by legislative agencies in the second year. The total savings amount includes estimated savings within the following legislative agencies:

Legislative Agency Estimated Savings
Auditor of Public Accounts (133) ................................................ $375,264
Division of Legislative Services (107) ........................................ $950,000
Division of Legislative Automated Systems (109) ................ $100,000".

Explanation:

(This amendment provides for the transfer to the general fund of estimated unexpended balances from legislative agencies totaling $1,425,264 as of June 30, 2016.)

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Judicial Department

Judicial Department Reversion Clearing Account

Language:

Drawn to Chapter 665.
Page 9, line 39, strike "Not set out." and insert:
"E. On or before June 30, 2016, the Director of the Department of Planning and Budget shall authorize the reversion to the general fund of an amount estimated at $400,000 from the Judicial Department, representing balances available due to judicial vacancies during fiscal year 2016.".

Explanation:

(This amendment captures a savings estimated at $400,000 as of June 30, 2016, from vacant judgeships in the Circuit and District Courts.)

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Central Appropriations
Language:

Page 187, Item 468, after line 10 insert:
"I.2. On or before June 30, 2016, the Director, Department of Planning and Budget, shall revert to the general fund $2,000,000 in the second year from Item 468, paragraph I.1.".

Explanation:

(This amendment reverts unexpended appropriation for the Slavery and Freedom Heritage Site to the general fund. This project is funded in the same amount in SB 30, as introduced.)

Transfers

Interfund Transfers

Language:

Page 207, line 47, strike "80,200,000" and insert "84,000,000".

Explanation:

(This amendment increases the transfer of net profits from the Department of Alcoholic Beverage Control to the general fund by $3,800,000 in Fiscal Year 2016. A companion amendment to Part 3 in Senate Bill 30 increases the transfer of net profits in Fiscal Years 2017 and 2018.)

Transfers

Interfund Transfers

Language:

Page 211, line 24, strike "439,180" and insert "619,180".

Explanation:

(This amendment increases the transfer to the general fund of fee revenues generated by the Firearms Transaction and Concealed Weapons Programs at the Department of State Police by $180,000 in Fiscal Year 2016. A companion amendment to Part 3 in Senate Bill 30 increases the transfer in Fiscal Years 2017 and 2018.)
Transfers

Interfund Transfers

Language:

Page 211, line 36, after "Program." insert:
"On or before June 30, 2016, the State Comptroller shall transfer to the general fund an amount estimated at $500,000 from Special Fund balances of the Commission on the Virginia Alcohol Safety Action Program."

Explanation:

(This amendment transfers an estimated Special Fund balance of $500,000 as of June 30, 2016, from the VASAP program to the general fund.)

Adjustments and Modifications to Tax Collections

Implementation of Chapter 3, Acts of Assembly of 2004, Special Session I

Language:

Page 222, line 24, strike "$370,000,000" and insert "$366,800,000".

Explanation:

(This amendment updates the estimated amount to be transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund. These funds are derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-638, Code of Virginia, and are used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The revised estimate is based on the Department of Taxation's Midsession 2016 Standard Forecast.)
Central Appropriations

Language:

Page 410, after line 43, insert:

"478.1

A.1. For each year of the biennium, there is hereby appropriated from the general fund of the state treasury an amount as specified in paragraphs A.3. and A.4. below, to fund certain capital projects that are presently authorized for funding from debt issuances by either the Virginia College Building Authority or the Virginia Public Building Authority, to the extent that the existing debt for such capital projects has not been issued. The Governor shall recommend an equivalent reduction in the amount of debt authorization for the affected projects so that overall, there is no decrease or increase in total funding for such projects.

2. It is the intent of the General Assembly that any appropriation pursuant to this Item only be used to reduce the total authorized but unissued debt such that general fund cash becomes the funding source for certain capital outlay projects rather than debt. In making this substitution, priority shall be given to maintenance reserve or other small capital outlay projects that are better suited to be funded from cash or to taxable debt projects which offer the opportunity to obtain greater debt service cost savings, if funded by cash rather than debt.

3. For the first fiscal year of the biennium, the appropriation specified in paragraph A.1. above shall be equal to the lesser of $181,900,000 or the actual total general fund revenue collections for fiscal year ending June 30, 2016, reduced by any amounts needed to meet the Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory deposit concerning surplus revenue to the Water Quality Improvement Fund, as certified by the State Comptroller, minus the “official revenue estimate” for general fund revenues for the second year of the biennium as contained in the second enactment of Senate Bill 29 of the 2016 General Assembly, as enacted.

4. For the second year of the biennium the appropriation specified in paragraph A.1. above shall be equal to the lesser of $188,200,000 or the actual total general fund revenue collections for fiscal year ending June 30, 2017, reduced by any amounts needed to meet the Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory deposit concerning surplus revenue to the Water Quality Improvement Fund, as certified by the State Comptroller, minus the “official revenue estimate” for general fund revenues for the first year of the biennium as contained in the first enactment of this Act.
B. The State Comptroller shall make a commitment for any amount appropriated in this Item pursuant to paragraph A.3. above on the balance sheet of the Commonwealth for June 30, 2016. The State Comptroller shall make a commitment for any amount appropriated in this Item pursuant to paragraph A.4. above on the balance sheet of the Commonwealth for June 30, 2017.

C.1. The Director of the Department of Planning and Budget shall report quarterly to the State Treasurer and to the Six Year Capital Outlay Planning Advisory Committee, established by § 2.2-1516 Code of Virginia, identifying the projects for which the debt authorization was replaced by appropriations pursuant to paragraph A1. above.

2. Upon notification from the Director of the Department of Planning and Budget that appropriations pursuant to paragraph A1. above have been made, the State Treasurer shall not issue any debt for the affected projects."

Explanation:

(This amendment directs the contingent use of any revenue surplus available at the close of FY 2016 and FY 2017 towards defraying the issuance of authorized general fund supported debt. A surplus may be realized due to a portion of general fund revenues, generated from nonwithholding, which is excluded from the official revenue estimate reflected in SB 29 and SB 30, as introduced.)

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Item 3-1.01 #1s

Transfers

Interfund Transfers

Language

Page 442, line 39, strike "78,900,000" and insert "83,600,000".
Page 442, line 40, strike "79,500,000" and insert "89,100,000".

Explanation:

(This amendment increases the transfer of net profits from the Department of Alcoholic Beverage Control to the general fund by $4,700,000 the first year and $9,600,000 the second year. A companion amendment to Senate Bill 29 increases the transfer of net profits by $3,800,000 in FY 2016.)

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Item 3-1.01 #2s

Transfers
Interfund Transfers

Language:

Page 446, after line 43, insert:
"DD. The State Comptroller shall deposit an additional $280,000 to the general fund on or before June 30, 2017, and an additional $600,000 to the general fund on or before June 30, 2018, from the fees generated by the Firearms Transaction and Concealed Weapons Permit Programs at the Department of State Police.

Explanation:

(This amendment increases the deposit to the general fund from firearms transaction and concealed weapons permit fees by $280,000 the first year and $600,000 the second year. A companion amendment to Part 3 in Senate Bill 29 captures the projected increase in fees in Fiscal Year 2016.)

Item 3-1.01 #3s

Transfers

Interfund Transfers

Language:

Page 442, line 39, strike "78,900,000" and insert "79,628,070".
Page 442, line 40, strike "79,500,000" and insert "80,228,070".

Explanation:

(This amendment increases by $728,070 each year the transfer to the general fund of net profits from the sale of alcoholic beverages. This increase is due to the authorization for expanded hours of operation for ABC stores on New Year's Day and on Sundays, which is included in a companion amendment to Item 387.)

Item 3-1.01 #4s

Transfers

Interfund Transfers

Language:

Page 443, strike lines 15 through 43.
Page 443, after line 14, insert:
"F. On or before June 30 of each year, the State Comptroller shall transfer $12,629,154 the first year and $12,629,154 the second year to the general fund from the agencies and fund sources listed below, for expenses incurred by central service agencies:
<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Fund Group</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Board (157)</td>
<td>0900</td>
<td>$61,074</td>
<td>$61,074</td>
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<tr>
<td>Department of Elections (132)</td>
<td>0200</td>
<td>$957</td>
<td>$957</td>
</tr>
<tr>
<td>Department of Agriculture &amp; Consumer Services (301)</td>
<td>0200</td>
<td>$17,482</td>
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<tr>
<td>Department of Agriculture &amp; Consumer Services (301)</td>
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<td>$35,474</td>
<td>$35,474</td>
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<tr>
<td>Department of Forestry (411)</td>
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<td>$42,081</td>
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<td>Department of Forestry (411)</td>
<td>0900</td>
<td>$334</td>
<td>$334</td>
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<tr>
<td>Department of Housing and Community Develop. (165)</td>
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<td>$269</td>
<td>$269</td>
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<tr>
<td>Board of Accountancy (226)</td>
<td>0900</td>
<td>$10,155</td>
<td>$10,155</td>
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<tr>
<td>Board of Bar Examiners (233)</td>
<td>0200</td>
<td>$7,587</td>
<td>$7,587</td>
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<tr>
<td>Department of Professional &amp; Occupational Reg. (222)</td>
<td>0200</td>
<td>$7,650</td>
<td>$7,650</td>
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<td>Department of Professional &amp; Occupational Reg. (222)</td>
<td>0900</td>
<td>$3,248</td>
<td>$3,248</td>
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<td>Department of Health Professions (223)</td>
<td>0900</td>
<td>$33,161</td>
<td>$33,161</td>
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<td>Department of Labor and Industry (181)</td>
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<td>$10,226</td>
<td>$10,226</td>
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<td>Southwest Virginia Higher Ed. Center</td>
<td>0200</td>
<td>$22,282</td>
<td>$22,282</td>
</tr>
<tr>
<td>Department</td>
<td>Code</td>
<td>Requested 2022</td>
<td>Requested 2023</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Virginia Museum of Fine Arts (238)</td>
<td>0200</td>
<td>$25,161</td>
<td>$25,161</td>
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<tr>
<td>Virginia Museum of Fine Arts (238)</td>
<td>0500</td>
<td>$19,314</td>
<td>$19,314</td>
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<tr>
<td>Department of Health (601)</td>
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<tr>
<td>Health Insurance Administration (149)</td>
<td>0500</td>
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<td>$425,602</td>
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<td>Tobacco Indemnification &amp; Revit. Commission (851)</td>
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<td>$18,714</td>
<td>$18,714</td>
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<tr>
<td>Virginia for Healthy Youth Foundation (852)</td>
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<td>Department for the Deaf and Hard of Hearing (751)</td>
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<td>$26,440</td>
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<td>Department of Behavioral Health and Development Services (720)</td>
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<td>$20,612</td>
<td>$20,612</td>
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<tr>
<td>Department for Aging and Rehabilitative Services (262)</td>
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<tr>
<td>Virginia College Savings Plan (174)</td>
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<td>$645,854</td>
</tr>
<tr>
<td>Supreme Court (111)</td>
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<td>$273,576</td>
<td>$273,576</td>
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<tr>
<td>Virginia State</td>
<td>0900</td>
<td>$73,122</td>
<td>$73,122</td>
</tr>
<tr>
<td>Agency/Program</td>
<td>Code</td>
<td>Fiscal Year 2020</td>
<td>Fiscal Year 2021</td>
</tr>
<tr>
<td>---------------</td>
<td>------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Bar (117)</td>
<td>0200</td>
<td>$182,537</td>
<td>$182,537</td>
</tr>
<tr>
<td>Department of Conservation and Recreation (199)</td>
<td>0900</td>
<td>$55,954</td>
<td>$55,954</td>
</tr>
<tr>
<td>Department of Conservation and Recreation (199)</td>
<td>0900</td>
<td>$750,436</td>
<td>$750,436</td>
</tr>
<tr>
<td>Department of Game and Inland Fisheries (403)</td>
<td>0200</td>
<td>$20,208</td>
<td>$20,208</td>
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<tr>
<td>Marine Resources Commission (402)</td>
<td>0900</td>
<td>$10,075</td>
<td>$10,075</td>
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<tr>
<td>Marine Resources Commission (402)</td>
<td>0200</td>
<td>$3,930</td>
<td>$3,930</td>
</tr>
<tr>
<td>Virginia Museum of Natural History (942)</td>
<td>0500</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Alcoholic Beverage Control (999)</td>
<td>0200</td>
<td>$56,643</td>
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<tr>
<td>Department of Criminal Justice Services (140)</td>
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<tr>
<td>Department of Criminal Justice Services (140)</td>
<td>0200</td>
<td>$14,376</td>
<td>$14,376</td>
</tr>
<tr>
<td>Department of Fire Programs (960)</td>
<td>0200</td>
<td>$103,044</td>
<td>$103,044</td>
</tr>
<tr>
<td>Department of State Police (156)</td>
<td>0900</td>
<td>$8,722</td>
<td>$8,722</td>
</tr>
<tr>
<td>Department of Military Affairs (123)</td>
<td>0900</td>
<td>$7,120</td>
<td>$7,120</td>
</tr>
</tbody>
</table>
## Resources Amendments SB 30

<table>
<thead>
<tr>
<th>Commission (171)</th>
<th>Innovation &amp; Entrepreneurship Invest. Authority (934)</th>
<th>Department of Aviation (841)</th>
<th>Department of Rail and Public Transportation (505)</th>
<th>Department of Motor Vehicles (154)</th>
<th>Department of Transportation (501)</th>
<th>Motor Vehicle Dealer Board (506)</th>
<th>Virginia Port Authority (407)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0900</td>
<td>$1,340</td>
<td>$79,004</td>
<td>$675,667</td>
<td>$3,728,268</td>
<td>$4,566,723</td>
<td>$21,061</td>
<td>$143,610</td>
<td>$12,629,154</td>
</tr>
</tbody>
</table>

Page 444, strike lines 1 through 24.

**Explanation:**

(This amendment reflects a recalculation by the Department of Accounts of the amount of central service agency expenses to be recovered from non-general fund agencies. The amendment increases the amount transferred to the general fund by $4,569,492 in each year.)

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**Adjustments and Modifications to Tax Collections**

Implementation of Chapter 3, Acts of Assembly of 2004, Special Session I

**Language:**

Page 449, line 15, strike "$388,200,000" and "$401,700,000" and insert "$385,000,000" and
"$398,500,000", respectively.

**Explanation:**

(This amendment updates the estimated amount to be transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund. These funds are derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-638, Code of Virginia, and are used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article VIII, Section 2, of the Constitution of Virginia. The revised estimate is based on the Department of Taxation's Midsession 2016 Standard Forecast.)

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**Adjustments and Modifications to Tax Collections**

**Language:**

Page 449, line 15, strike "$388,200,000" and "$401,700,000" and insert "$388,409,559" and "$401,909,559", respectively.

**Explanation:**

(This amendment updates the estimated amount to be transferred to the general fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund by $209,559 each year, due to the impact of Senate Bill 444. There are companion amendments that reflect the additional resources and the net additional amount of Direct Aid funding.)

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**Adjustments and Modifications to Tax Collections**

**Language:**

Page 451, strike lines 13 through 17, and insert:

"§ 3-5.12 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH AND DEVELOPMENT

A. Notwithstanding any other provision of law or regulation, and beginning July 1, 2016, the retail sales and use tax exemption provided for in subdivision 5 of § 58.1-609.3 of the Code of Virginia, applicable to tangible personal property purchased or leased for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory sense, shall apply to such property used in a federally funded..."
research and development center, regardless of whether such property is used by the purchaser, lessee, or another person or entity.

B. The Department of Taxation shall continue and complete any audit of a federally funded research and development center initiated prior to July 1, 2016 that involves review of the center's use of the sales and use tax exemption provided for in subdivision 5 of § 58.1-609.3 by such center.

C. Nothing in this section shall be construed to relieve any federally funded research and development center of any tax liability identified by an audit referenced in subsection B for retail sales and use tax due for the purchase of tangible personal property pursuant to the law in effect at the time of the purchase.

Explanation:

(This amendment clarifies language related to the research and development sales and use tax exemption.)

Item 3-5.14 #1s

Adjustments and Modifications to Tax Collections

Sunset Dates for Income Tax Credits and Sales and Use Tax Exemptions

Language:

Page 451, after line 25, insert:

"§ 3-5.14 SUNSET DATES FOR INCOME TAX CREDITS AND SALES AND USE TAX EXEMPTIONS

A. Notwithstanding any other provision of law the General Assembly shall not advance the sunset date on any existing sales tax exemption or tax credit beyond June 30, 2022. Any new sales tax exemption or tax credit enacted by the General Assembly prior to the 2021 regular legislative session shall have a sunset date not later than June 30, 2022. However, this requirement shall not apply to tax exemptions administered by the Department of Taxation under § 58.1-609.11, relating to exemptions for nonprofit entities.

B. By November 1, 2020, the Department of Taxation shall report to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences, on the revenue impact of every sales tax exemption and tax credit scheduled to expire on or before June 30, 2022. The report shall include the prior fiscal year's state and local sales tax impact of each expiring sales tax exemption, and the prior fiscal year's general fund revenue impact of each expiring tax credit. The tax credit revenue impact analysis shall be inclusive of
credits claimed against any tax imposed under Title 58.1 of the Code of Virginia.

C. The Department shall provide an updated revenue impact report no later than November 1, 2025, and every five years thereafter, for sales tax exemptions and tax credits set to expire within two years following the date of the report. Such reports shall be distributed to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences."

Explanation:
(This amendment requires that for existing tax credits and sales and use tax exemptions with a sunset date, and for any new credit or sales and use tax exemption enacted prior to 2021, the sunset dates shall not be set beyond June 30, 2022. In addition, this amendment requires that by November 1, 2020, the Department of Taxation shall report to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences, the revenue impact of every sales tax exemption and tax credit scheduled to expire on or before June 30, 2022. It also requires that beginning November 1, 2025 and for every five years thereafter the Department shall provide an updated revenue impact report for sales tax exemptions and tax credits set to expire within two years following the date of the report.)

Adjustments and Modifications to Tax Collections

Neighborhood Assistance Act Tax Credit

Language:

Page 451, after line 25, insert:

"§ 3-5.14 NEIGHBORHOOD ASSISTANCE ACT TAX CREDIT

Notwithstanding § 58.1-439.20 of the Code of Virginia or any other provision of law, for Fiscal Year 2017 and each fiscal year thereafter, the annual amount of the Neighborhood Assistance Act Tax Credit available under § 58.1-439.18 et seq., Code of Virginia, shall be limited to $22 million allocated as follows: $11 million for education proposals for approval by the Superintendent of Public Instruction and $11 million for all other proposals for approval by the Commissioner of the State Department of Social Services."

Explanation:
(This amendment increases the annual fiscal year cap for the Neighborhood Assistance Act Tax Credit to $22 million, and equalizes the amount of such cap allocated to education proposals and other proposals. Therefore, this amendment would allocate $11 million of the cap to education proposals and $11 million to other proposals. The increased cap would be effective for FY 2017 and each year thereafter. The fiscal impact of this amendment is
assumed in SB 30, as introduced. This amendment is similar to SB 422, which passed the Senate.)

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**Adjustments and Modifications to Tax Collections**

**Limited Residential Lodging**

**Language:**

Page 451, after line 25, insert:

"§ 3-5.14 LIMITED RESIDENTIAL LODGING

Notwithstanding any other law, any legislation passed by the 2016 Session of the General Assembly that creates a new Chapter 13.4 (§ 55-248.53 et seq.) of Title 55 of the Code of Virginia relating to the collection of taxes and the preemption of local authority regarding limited residential lodging shall not become effective until (i) such legislation is reenacted by the 2017 Session of the General Assembly and (ii) the Virginia Housing Commission completes a study regarding limited residential lodging and reports its work by December 1, 2016 to the chairmen of the Senate Committee on Finance and the House Committee on Finance."

**Explanation:**

(This amendment requires that any legislation passed by the 2016 Session of the General Assembly that creates a new Chapter 13.4 of Title 55 of the Code of Virginia relating to the collection of taxes and the preemption of local authority regarding limited residential lodging shall not become effective until it is reenacted by the 2017 Session of the General Assembly and the Virginia Housing Commission completes a study and reports its work to the chairmen of the Senate and House Finance Committees.)

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**Item 3-6.04 #1s**

**Adjustments and Modifications to Fees**

**Qualified Equity and Subordinated Debt Investment Tax Credit**

**Language:**

Page 451, strike lines 41 through 50.

**Explanation:**

(This amendment strikes Item § 3-6.04 QUALIFIED EQUITY AND SUBORDINATED DEBT INVESTMENT TAX CREDIT. By statute, this tax credit is available to qualified
investors in qualified technology, biotechnology and energy startups across the Commonwealth generally. By striking this language, the General Assembly reaffirms the statutory intention of this legislation.)

Effective Date

Language:

Page 503, line 47, strike "on its passage as provided in § 1-214, Code of Virginia" and insert "July 1, 2016".

Explanation:

(This amendment is a technical change to correct the effective date of the appropriation act.)