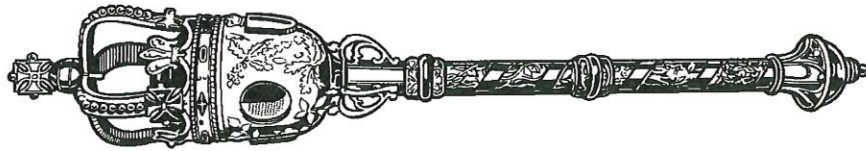


Summary
of
*Proposed Committee
Resources & Budget
Adjustments*



House Bill 1700

February 3, 2019

Resources Report

<u>Summary Recommended Revenue Adjustments</u>	<u>HB 1700 FY 2019</u>	<u>HB 1700 FY 2020</u>	<u>FY 2018-2020 Biennium</u>
Ending Balance - HB 1700 as Introduced	19,462,021	5,348,699	24,810,720
<u>ADDITIONS TO BALANCES</u>			
Reduce Unneeded Hurrrian Florence Set Aside	16,635,000	0	16,635,000
Revert Criminal Fund Balances	4,500,000	0	4,500,000
Revert Legislative Balances	1,775,781	0	1,775,781
DARS: Auxiliary Grant and LTESS Balances	2,676,000	0	2,676,000
DMAS: Capture Carry Forward Balances	1,819,857	0	1,819,857
Subtotal-Additions to Balances	27,406,638	0	27,406,638
<u>ADDITIONS TO REVENUES</u>			
Remove TCJA Revenue - Permanent Provisions	(76,900,000)	(177,500,000)	(254,400,000)
Remove TCJA Revenue - Temporary Provisions	(517,300,000)	(433,600,000)	(950,900,000)
Remove Earned Income Tax Refundability	10,300,000	206,000,000	216,300,000
HB 2540: Sales Tax Exemption for Personal Hygiene Products	0	(1,550,000)	(1,550,000)
HB 2065: Move Up Sunset for Telework Tax Credit	0	61,000	61,000
Subtotal-Additional Revenues	(583,900,000)	(406,589,000)	(990,489,000)
<u>TRANSFERS</u>			
OAG Transfer for Wells Fargo Settlement	14,000,000	0	14,000,000
OAG Transfer for Consumer Credit Fund Cap	0	500,000	500,000
Additional ABC Profits Transfer	2,700,000	2,800,000	5,500,000
Increase Distiller Commission	0	(243,268)	(243,268)
ABC Sunday Operating Hours Extension	0	858,697	858,697
Communication Tax - Transfer to VATI	2,000,000	2,000,000	4,000,000
VASAP Balance Transfer	325,000	0	325,000
Subtotal-Transfers	19,025,000	5,915,429	24,940,429
<u>Total Committee "Front Page" Resource Adjustments (Above)</u>	(518,006,341)	(395,324,872)	(913,331,213)
<u>Grand Total Spending Adjustments</u>	(758,091,290)	(160,090,402)	(918,181,692)
<u>New Unappropriated Balance</u>	240,084,949	(235,234,470)	4,850,479

Committee Approved Amendments to House Bill 1700, as Introduced

Item 0 #1h

Revenues

Revenues

Language

Language:

Page 1, strike lines 37 through 50, and insert:

	"First Year	Second Year	Total
Unreserved Balance, June 30, 2018	\$1,229,941,000	\$0	\$1,229,941,000
Additions to Balance	(\$727,612,276)	\$336,198,952	(\$391,413,324)
Official Revenue Estimates	\$20,466,667,750	\$21,282,428,000	\$41,749,095,750
Transfers	\$641,095,037	\$636,259,918	\$1,277,354,955
Total General Fund Resources Available for Appropriation	\$21,610,091,511	\$22,254,886,870	\$43,864,978,381"

Page 2, strike lines 2 through 19, and insert:

	"First Year	Second Year	Total
Balance, June 30, 2018	\$6,342,196,144	\$0	\$6,342,196,144
Official Revenue Estimates	\$31,440,483,803	\$35,058,202,353	\$66,498,686,156
Lottery Proceeds Fund	\$632,398,647	\$628,830,501	\$1,261,229,148
Internal Service Fund	\$2,099,646,770	\$2,070,414,416	\$4,170,061,186
Bond Proceeds	\$1,119,301,936	\$835,534,877	\$1,954,836,813
Total Nongeneral Fund Revenues Available for Appropriation	\$41,634,027,300	\$38,592,982,147	\$80,227,009,447
TOTAL PROJECTED REVENUES	\$63,244,118,811	\$60,847,869,017	\$124,091,987,828"

Explanation:

(This amendment includes the general fund and nongeneral fund revenue adjustments contained in the cumulative amendments included in the Committee adopted budget.)

Item 475.10 #1h

Committee Approved Amendments to House Bill 1700, as Introduced

Central Appropriations

FY18-19

FY19-20

Central Appropriations

Language:

Page 505, after line 2, insert:

"475.10 Taxpayer Relief Fund

\$0

\$0

Page 505, after line 1, insert:

"A.1. Pursuant to the provisions of House Bill 2355, 2019 Session of the General Assembly, there is hereby appropriated a sum sufficient estimated at \$517,960,000 the first year and \$434,410,000 the second year generated as a result of the individual income tax provisions of the federal Tax Cuts and Jobs Act, P.L. 115-97 (2018), that expire before January 1, 2026. These funds shall be transferred to a special nonreverting fund to be known as the Taxpayer Relief Fund.

2. No later than August 1, 2019, the Department of Taxation shall submit a plan to be considered by the General Assembly during any special or regular session beginning prior to January 8, 2020, to appropriate and refund such revenues attributable to the taxable year beginning on January 1, 2018, to affected taxpayers that experienced an increase in Virginia taxes as an indirect result of the provisions of the federal Tax Cuts and Jobs Act. Of the totals listed in paragraph A.1. of this item, \$374,580,000 in fiscal year 2019 is estimated as attributable to taxable year 2018.

3. If Special Session I, 2018, of the General Assembly and the 2019 Session of the General Assembly fail to enact legislation providing relief to taxpayers that experienced an increase in Virginia taxes as an indirect result of the provisions of the Tax Cuts and Jobs Act for taxable years beginning on and after January 1, 2019, or such legislation is not signed by the Governor, any additional revenues generated as a result of the individual income tax provisions of the Tax Cuts and Jobs Act that expire before January 1, 2026, in an amount estimated at \$143,380,000 in fiscal year 2019 and \$434,410,000 in fiscal year 2020, shall be appropriated to refund such revenues to affected taxpayers that experienced an increase in Virginia taxes as an indirect result of the provisions of the federal Tax Cuts and Jobs in taxable years 2019 and 2020.

4. If Special Session I, 2018, of the General Assembly or the 2019 Session of the General Assembly to enact legislation providing relief to taxpayers that experienced an increase in Virginia taxes as an indirect result of the provisions of the Tax Cuts and Jobs Act for taxable years beginning on and after January 1, 2019, that is signed by the Governor, any revenues above amounts returned to Virginians pursuant to such legislation in fiscal year 2019 and fiscal year 2020 shall be transferred to the Revenue Reserve Fund established pursuant to § 2.2-1831.2, Code of Virginia, and set out in Item 266 of this act.

B. There is hereby appropriated a sum sufficient estimated at \$76,900,000 the first year and \$177,500,000 the second year generated as a result of the permanent provisions of the federal Tax Cuts and Jobs Act which shall be transferred to the Revenue Reserve Fund established

Committee Approved Amendments to House Bill 1700, as Introduced

pursuant to § 2.2-1831.2, Code of Virginia, and set out in Item 266 of this act."

Explanation:

(This amendment establishes the Taxpayer Relief Fund pursuant to the provisions of House Bill 2355 to capture all additional revenues generated by the State resulting from changes to individual income tax provisions and deposits them to the Fund which will be used to refund such revenues for Tax Year 2018 to the affected taxpayers. Should legislation not be adopted by the 2019 General Assembly in any General or Special Session, additional revenues generated by the TCJA in fiscal year 2019 and fiscal year 2020 attributable to tax year 2019 and tax year 2020. It further directs that any amounts attributable to the permanent provisions of the TCJA be transferred to the Revenue Reserve Fund contained in Item 266 of this act.)

Item 3-5.20 #1h

Adjustments and Modifications to Tax Collections

Refundable Earned Income Tax Credit

Language

Language:

Page 570, strike lines 4 through 8.

Explanation:

(This amendment removes language included in House Bill 1700 as introduced relating to the Earned Income Tax Credit.)

Item 4-14 #1h

Effective Date

Language

Language:

Page 630, strike lines 47 through 49.
Page 631, strike lines 1 through 47.
Page 632, strike lines 1 through 6.
Page 632, line 7, strike "8." and insert "7."
Page 632, line 8, strike "9." and insert "8."
Page 632, line 9, strike "10." and insert "9."
Page 632, line 10, strike "11." and insert "10."
Page 632, line 12, strike "12." and insert "11."
Page 632, line 16, strike "13." and insert "12."
Page 632, line 17, strike "14." and insert "13."
Page 632, line 19, strike "15." and insert "14."

Committee Approved Amendments to House Bill 1700, as Introduced

Page 632, line 22, strike "16." and insert "15."
Page 632, line 23, after "thirteenth" insert "and".
Page 632, line 23, after "fourteenth" strike "and".
Page 632, line 24, strike "fifteenth".

Explanation:

(This amendment removes language that had been included in House Bill 1700 as introduced relating to remote seller sales tax nexus and marketplace facilitator sales tax nexus. This issue has been address through House Bill 1722 and thus does not need to be included in the Appropriation Act.)

Item 4-14 #2h

Effective Date

Language

Language:

Page 630, strike lines 8 through 46.
Page 630, line 47, strike "7." and insert "6".
Page 632, line 7, strike "8." and insert "7".
Page 632, line 8, strike "9." and insert "8".
Page 632, line 9, strike "10." and insert "9".
Page 632, line 10, strike "11." and insert "10".
Page 632, line 12, strike "12." and insert "11".
Page 632, line 16, strike "13." and insert "12".
Page 632, line 17, strike "14." and insert "13".
Page 632, line 19, strike "15." and insert "14".
Page 632, line 22, strike "16." and insert "15".
Page 632, line 23, after "thirteenth" insert "and".
Page 632, line 23, after "fourteenth" strike "and".
Page 632, line 24, strike "fifteenth".

Explanation:

(This amendment eliminates the tax conformity language included in House Bill 1700 as introduced.)
