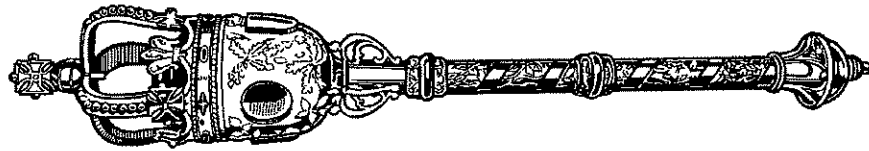


Summary
of
*Proposed Committee
Resources & Budget
Adjustments*



*House Bill 29
&
House Bill 30*

February 16, 2020

House Bill 29/30
General Fund Summary
HAC Amendments

Summary Recommended Revenue Adjustments	HB 29 FY 2020	HB 30 FY 2021	HB 30 FY 2022	FY 2020-2022 Biennium
Unappropriated Balance - as Introduced	562,996,744	456,014,619	(442,308,589)	13,706,030
Changes to Balance Forward	0	88,003,194		88,003,194
Changes to Resources	237,481,795	3,432,500	36,580,000	40,012,500
Net Spending	149,478,601	52,121,885	81,622,226	133,744,111
Ending Balance/Unappropriated Balance	650,999,938	495,328,428	(487,350,815)	7,977,613
<i>BALANCES/REVENUES/TRANSFERS</i>				
Additions to Balances				
JLARC Balances	1,500,000	0	0	0
Various Legislative Carryforward Balances	1,328,901	0	0	0
WW I - WWII Commission Balances	1,500,000	0	0	0
GO Virginia Competitive Pot Balances from FY 18/19	12,706,315	0	0	0
Correct Error in Year-End Balance	(73,757,699)			
Subtotal-Balances	(56,722,483)	0	0	0
Changes to Revenues				
Additional Credit Card/Internet - 1099K	0	300,000	600,000	900,000
Tax on Liquid Nicotine	0	4,090,000	4,100,000	8,190,000
Conformity - Governor's Technical Amendment	(2,000,000)	(1,300,000)	1,500,000	200,000
HB 1413 - Conformity	(17,500,000)	(4,700,000)	2,400,000	(2,300,000)
HB 1619 - Disabled Veteran's Tax Credit	0	(2,800,000)	(2,000,000)	(4,800,000)
HB 738 - R and D Tax Credit Cap Increase	0	(2,770,000)	(2,770,000)	(5,540,000)
DGIF - Remove Caboose Bill Transfer Reduction	1,700,000	0	0	0
HB - Sports Betting	0	7,312,500	29,250,000	36,562,500
Mid-Session Revenue Reforecast	292,500,000	0	0	0
Subtotal-Revenues	274,700,000	132,500	33,080,000	33,212,500
Changes to Transfers				
ABC Profits Forecast Update	3,200,000	3,300,000	3,500,000	6,800,000
OAG - Revolving Trust Fund Transfer to GF	5,904,278	0	0	0
VEDIP - Undo Transfer of CIT Proceeds to COF	10,000,000	0	0	0
VASAP Balances	400,000	0	0	0
Subtotal-Transfers	19,504,278	3,300,000	3,500,000	6,800,000
<u>Committee Resource Adjustments</u>	237,481,795	3,432,500	36,580,000	40,012,500

Committee Approved Amendments to House Bill 29, as Introduced

Item 0 #6h

Revenues

Revenues

Language

Language:

Page 1, strike lines 30 through 42 and insert:

"

	First Year	Second Year	Total
Unreserved Balance, June 30, 2018	1,229,941,000	1,930,619,607	3,160,560,607
Additions to Balance	(723,275,506)	(1,220,948,250)	(1,944,223,756)
Official Revenue Estimates	20,528,667,750	21,979,200,000	42,507,867,750
Revenue Stabilization Fund	-	-	-
Transfers	639,095,037	686,180,979	1,325,276,016
Total General Fund Resources Available for Appropriation	21,674,428,281	23,375,052,336	45,049,480,617

Page 1 strike lines 45 through 47 and insert:

"

	First Year	Second Year	Total
Balance June 30, 2018	6,342,196,144	-	6,342,196,144
Official Revenue Estimates	31,403,525,053	36,177,328,734	67,580,853,787
Lottery Proceeds Fund	632,398,647	613,449,864	1,245,848,511
Internal Service Fund	2,099,646,770	2,070,676,464	4,170,323,234
Bond Proceeds	1,112,897,936	1,382,193,172	2,495,091,108
Total Nongeneral Fund Revenues			

Committee Approved Amendments to House Bill 29, as Introduced

Available for Appropriations	41,590,664,550	40,243,648,234	81,834,312,784
TOTAL PROJECTED REVENUES	63,265,092,831	63,618,700,570	126,883,793,401

"

Page 2 strike lines 1-13.

Explanation:

(This amendment reflects the net total of general and nongeneral fund revenue, transfer and balance adjustments encompassed in the Committee amendment package to House Bill 29.)

		Item 266 #1h	
Finance	FY18-19	FY19-20	
Department of Accounts Transfer Payments	\$0	(\$73,757,699)	GF

Language:

Page 86, line 10, strike "\$493,603,374" and insert "\$419,845,675".
Page 86, line 17, strike "\$493,603,374" and insert "\$419,845,675".

Explanation:

(This amendment corrects the amount appropriated for a voluntary deposit to the Revenue Reserve Fund. A companion amendment to the enactment clause (Item 0) reflects a revision in the depiction of June 30, 2019 committed balances on the balance sheet in the Commonwealth's Comprehensive Annual Financial Report (CAFR), which results in a reduction in resources available for the voluntary deposit.)

		Item 266 #2h	
Finance	FY18-19	FY19-20	
Department of Accounts Transfer Payments	\$0	\$222,000,000	GF

Language:

Page 86, line 10, strike "\$493,603,374" and insert "\$715,603,374".
Page 86, line 17, strike "\$493,603,374" and insert "\$673,603,374"
Page 86, line 19, after "Code of Virginia" strike the remainder of line.
Page 86, strike lines 19 and line 20 and insert:

Committee Approved Amendments to House Bill 29, as Introduced

". Any mandatory deposit to the Revenue Stabilization Fund resulting from revenue growth in fiscal year 2020 may be funded from the amounts appropriated to the Revenue Reserve in this paragraph if fiscal year 2020 uncommitted, excess year-end revenues are insufficient for such purpose."

Explanation:

(This amendment adds \$222,000,000 to the amount appropriated for a voluntary deposit to the Revenue Reserve Fund in fiscal year 2020. This brings the total fiscal year 2020 deposit to \$715.6.6 million. This amount is an estimate of additional funding that may become available pursuant to a Mid-Session reforecast of revenues for the current fiscal year. In light of the one-time nature of the majority of any reforecast, the funds are being set aside in the Reserve Fund but may be transferred to the Revenue Stabilization Fund (Rainy Day Fund) if the deposit requirement is triggered.)

Item 3-5.14 #1h

Adjustments and Modifications to Tax Collections

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

Language

Language:

Page 249, line 31, strike "2021" and insert 2025".

Page 249, line 32, strike "2021" and insert 2020".

Page 249, line 32, after "June 30, 2022.", insert: "Any new sales tax exemption or tax credit enacted by the General Assembly after the 2019 regular legislative session, but prior to the 2024 regular legislative session shall have a sunset date not later than June 30, 2025."

Page 249, line 38, strike "2022" and insert "2025".

Explanation:

(This amendment adjusts language that has been in the budget since 2016 to reflect updated standard sunset dates for tax credits and sales and use tax exemptions.)

Committee Approved Amendments to House Bill 30, as Introduced

Item 0 #1h

Revenues

Revenues

Language

Language:

Page 1, strike lines 23 through 29 and insert:

"

	First Year	Second Year	Total
Unreserved Balance, June 30, 2020	653,499,938	0	653,499,938
Additions to Balance	120,137,243	(500,000)	119,637,243
Official Revenue Estimates	22,689,235,946	23,562,435,451	46,251,671,397
Transfers	655,908,189	666,308,189	1,322,216,378
Total General Fund Resources			
Available for Appropriation	24,118,781,316	24,228,243,640	48,347,024,956

Page 1, strike lines 32 through 41 and insert:

"

	First Year	Second Year	Total
Balance, June 30, 2020	7,596,232,598	0	7,596,232,598
Official Revenue Estimates	38,740,490,840	39,458,697,364	78,199,188,204
Lottery Proceeds Fund	657,959,397	666,104,670	1,324,064,067
Internal Service Fund	2,114,880,885	2,231,295,240	4,346,176,125
Bond Proceeds	2,449,288,958	192,223,500	2,641,512,458
Total Nongeneral Fund Revenues			
Available for Appropriation	51,558,852,678	42,548,320,774	94,107,173,452

Committee Approved Amendments to House Bill 30, as Introduced

TOTAL PROJECTED	75,677,633,994	66,776,564,414	142,454,198,408
REVENUES			

"

Explanation:

(This amendment reflects the net total of general and nongeneral fund revenue, transfer and balance adjustments encompassed in the Committee amendment package to House Bill 30.)

Item 3-5.14 #1h

Adjustments and Modifications to Tax Collections

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

Language

Language:

Page 523, line 20, strike "2021" and insert 2025".

Page 523, line 21, strike "2021" and insert 2020".

Page 523, line 21, after "June 30, 2022.", insert:

"Any new sales tax exemption or tax credit enacted by the General Assembly after the 2019 regular legislative session, but prior to the 2024 regular legislative session shall have a sunset date not later than June 30, 2025."

Page 523, line 28, strike "2022" and insert "2025".

Explanation:

(This amendment adjusts language that has been in the budget since 2016 to reflect updated standard sunset dates for tax credits and sales and use tax exemptions.)

Item 3-5.21 #1h

Adjustments and Modifications to Tax Collections

Cigarette Tax and Tax on Liquid Nicotine

Language

Language:

Page 526, strike lines 29 through 38 and insert:

"§ 3-5.21 CIGARETTE TAX, TOBACCO PRODUCTS TAX AND TAX ON LIQUID NICOTINE

A. Notwithstanding any other provision of law, the cigarette tax imposed under subsection A of § 58.1-1001 of the Code of Virginia shall be 3.0 cents on each cigarette sold, stored or received on and after July 1, 2020.

Committee Approved Amendments to House Bill 30, as Introduced

B. Notwithstanding any other provision of law, the rates of the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia in effect on June 30, 2020 shall be doubled beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

C. Notwithstanding any other provision of law, the tobacco products tax imposed under § 58.1-1021.02 of the Code of Virginia shall be imposed on liquid nicotine at the rate of \$0.066 per milliliter beginning July 1, 2020 for taxable sales or purchases occurring on and after such date.

D. The Tax Commissioner shall establish guidelines and rules for (i) transitional procedures in regard to the increase in the cigarette tax, (ii) implementation of the increased tobacco products tax rates, and (iii) implementation of the tobacco products tax on liquid nicotine pursuant to the provisions of this act. The development of such guidelines and rules by the Tax Commissioner shall be exempt from the provisions of the Administrative Process Act (Code of Virginia § 2.2-4000 et seq.)."

Explanation:

(This amendment clarifies language associated with changes in cigarette, tobacco products, and nicotine products. Specifically, this language will increase the cigarette tax from \$0.30 per pack of 20 cigarettes to \$0.60 per pack, double the rates of the tobacco products tax, and impose the tobacco products tax on liquid nicotine.)

Item 4-14 #2h

Effective Date

Effective Date

Language

Language:

Page 583, after line 47, insert:

"This act is effective on July 1, 2020."

Explanation:

(This amendment makes a technical change to clarify the effective date of the appropriation act.)
