

FISCAL IMPACT STATEMENT ON BILL NO. **S.616**

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TO:	The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee		
FROM:	State Budget Division, Budget and Control Board		
ANALYSTS:	K. Earle Powell and Rodney Grizzle		
DATE:	April 30, 2013	SBD:	2013299

AUTHOR:	Senator Leatherman	PRIMARY CODE CITE:	4-10-1000
SUBJECT:	Local Option Sales Tax for Roads		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

BILL SUMMARY:

Senate Bill 616 amends the Code of Laws of South Carolina, 1976, to enact the "Transportation Infrastructure Sales Tax Act", to provide that a county government body may impose a one percent sales and use tax by ordinance for local highway projects.

EXPLANATION OF IMPACT:

Department of Motor Vehicles

The Department indicates that this Bill will have a minimal impact on the General Fund of the State, which the agency can absorb at their current level of funding.

Department of Revenue

DOR indicates the impact of this Bill would be minimal.

Department of Transportation

SCDOT indicates there is no fiscal impact to the agency with the adoption of this Bill.


LOCAL GOVERNMENT IMPACT:

SCDOT reports that preliminary estimates indicate that 17 rural counties will receive less than 200% of their C-Fund allocation. This will impact the State Highway Fund. Costs are estimated at \$4 million in FY15 to \$15 million by FY20.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Brenda Hart
Assistant Director, State Budget Division