



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1172

PRINTERS NO. 1606

PRIME SPONSOR: Christiana

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$0

SUMMARY: House Bill 1172, Printer's Number 1606, amends the Local Tax Enabling Act (Act 511 of 1965) further providing for limitation on rates of specific taxes.

ANALYSIS: This legislation amends the Local Tax Enabling Act authorizing a new political subdivision, created as a result of the merger of two or more political subdivisions, to levy a mercantile or business privilege tax when one of the merging political subdivisions already levies such a tax. The new political subdivision may continue to levy the mercantile or business privilege tax in the first year following the merger at a rate necessary to generate the same amount of revenue generated in the year prior to the merger. Such tax rate levied by the new political subdivision in the first year shall remain in effect in subsequent fiscal years without limitation on the amount of revenue generated.

The act shall take effect immediately and apply to mercantile or business privilege taxes due and payable on or after July 1, 2012.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: May 10, 2013

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.