



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1188

PRINTERS NO. 1802

PRIME SPONSOR: Blake

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 1188, Printer's Number 1802, amends the Local Tax Enabling Act further providing for delegation of taxing powers and restrictions thereon and for tax limitations.

ANALYSIS: This legislation adds a section prohibiting a local taxing authority (LTA) from levying, assessing or collecting an amusement or admission tax based on a charge imposed for the movement of passengers by a for-profit railroad that operates as a common carrier of freight provided that: (1) the railroad is subject to the jurisdiction of the United State Surface Transportation Board; (2) the freight constitutes a majority of the movement handled by the railroad measured by both income and volume; and (3) the for-profit railroad transports more than 20,000 revenue carloads annually while offering tourist or passenger service.

Additionally, Section 320 (Tax Limitations) currently limits the total revenues received by an LTA under the Local Tax Enabling Act (LTEA) to an amount equal to the market valuation of real estate, as determined by the State Tax Equalization Board (STEB), multiplied by 12 mills. This legislation amends Section 320 to exclude the following revenues from the calculation of the total revenues: (1) any revenues derived from a tax rate in excess of the LTEA which is levied under the Municipalities Financial Recovery Act or the Municipal Pension Plan Funding Standard and Recovery Act and (2) any revenues derived from the levy of a tax by a home rule municipality in compliance with Section 2962 (relating to limitation on municipal powers) of Title 53 (Municipalities Generally).

The act shall take effect in 60 days.

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

Prohibiting the ability of an LTA to levy, assess or collect an amusement or admissions tax on certain for-profit railroads may limit the ability of the LTA to generate revenues. Amending the calculation of the aggregate amount of revenue under the LTEA to exclude taxes authorized under certain other statutes may allow an LTA to raise revenues without exceeding the limitations in the LTEA.

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House Appropriations Committee (R)

DATE: July 14, 2020

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