

# REGIONAL TRANSPORTATION REVENUES

PRESENTATION TO THE HAMPTON ROADS TRANSPORTATION PLANNING ORGANIZATION



Greg Grootendorst

Chief Economist

HRPDC

November 18, 2009



# HB 3202 HRTA FY09 Revenues - \$162.2M

## HRTA Revenue Estimates for FY09

– \$10 Automobile Inspection Fee -	\$12,300,000
– 5% Tax on Automobile Repairs -	\$18,900,000
– Grantor's Tax of 40¢ per \$100 of Value -	\$42,800,000
– Motor Vehicle Rental Tax of 2% -	\$3,500,000
– One-Time Vehicle Registration Fee of 1% -	\$41,200,000
– Annual Vehicle Registration Fee of \$10 -	\$13,300,000
– 2% Retail Tax on Motor Fuel Sales -	\$30,200,000

# Principles of Good Tax Policy

- **Equity and Fairness.** *Similarly situated taxpayers should be taxed similarly.*
- **Certainty.** *The tax rules should clearly specify when the tax is to be paid, how it is to be paid, and how the amount to be paid is to be determined.*
- **Convenience of Payment.** *A tax should be due at a time or in a manner that is most likely to be convenient for the taxpayer.*
- **Economy in Collection.** *The costs to collect a tax should be kept to a minimum for both the government and taxpayers.*
- **Simplicity.** *The tax law should be simple so that taxpayers understand the rules and can comply with them correctly and in a cost-efficient manner.*
- **Neutrality.** *The effect of the tax law on a taxpayer's decisions as to how to carry out a particular transaction or whether to engage in a transaction should be kept to a minimum.*
- **Economic Growth and Efficiency.** *The tax system should not impede or reduce the productive capacity of the economy.*
- **Transparency and Visibility.** *Taxpayers should know that a tax exists and how and when it is imposed upon them and others.*
- **Minimum Tax Gap.** *A tax should be structured to minimize noncompliance.*
- **Appropriate Government Revenues.** *The tax system should enable the government to determine how much tax revenue will likely be collected and when.*

Source: American Institute of Certified Public Accountants

## DISCLAIMER



- HRPDC/HRTPO is NOT advocating for the imposition of the following taxes and/or fees.
- The following figures are rough estimates for FY 2010.
- Figures are based on the 16 jurisdictions that comprise Hampton Roads.

# Potential Transportation Revenues

Local income tax of 0.5%	\$ 129,400,000
Local sales & use tax of 1%	\$ 190,800,000
Recordation tax of 10¢ per \$100	\$ 25,200,000
Building permit tax of 1¢ per \$100	\$ 100,000
Building permit fee of \$50 per permit	\$ 300,000
Vehicle registration fee of \$10	\$ 14,900,000
1% motor vehicle sales and use tax	\$ 36,700,000
1% hotel and motel room tax	\$ 7,200,000
Dedication of 5% of lottery sales	\$ 17,100,000
Port charge of \$10 per container	\$ 12,200,000
5¢ per gallon tax on motor fuels	\$ 43,300,000
1% retail tax on motor fuel sales	\$ 20,300,000
Car rental tax of 1%	\$ 1,700,000
Real estate tax of 1¢ per \$100	\$ 16,400,000
\$10 automobile inspection fee	\$ 12,900,000
Grantor's tax of 40¢ per \$100	\$ 41,800,000

# Potential Further Analysis

Revenue raised per capita

Expected cost per HR  
household

Percent of revenue  
generated by non-residents

Revenue forecasts

Other?