

March 25, 2013

Pursuant to Article V, Section 6, of the Constitution of Virginia, I veto Senate Bill 1343, which increases the maximum transient occupancy tax that the City of Fairfax may levy from four percent to six percent.

As you know, the Conference Report for House Bill 2313 includes an increased transient occupancy tax that would impact Fairfax City. As such, the optional increase in the transient occupancy tax included in Senate Bill 1343 would be in addition to the increase in House Bill 2313. Senate Bill 1343 passed prior to the Conference Report for House Bill 2313 was completed, and the members were unable to consider the impacts of these two legislative acts in conjunction with one another.

Were both of these taxes to go into place concurrently, the businesses in the Northern Virginia region may face a significant competitive disadvantage to businesses in other nearby localities or states because of an unintended compounding of the taxes. This could have a negative impact on tourism, economic growth, and jobs in this locality.

Accordingly, I veto Senate Bill 1343.

Signed,

Robert McDonnell

Governor