



# NORTH CAROLINA GENERAL ASSEMBLY

2021 Session

## Legislative Fiscal Note

**Short Title:** Modify Mileage Allowance.  
**Bill Number:** House Bill 1028 (First Edition)  
**Sponsor(s):** Rep. Pittman, Rep. Kidwell, and Rep. Brody

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 1028, V.1 (\$ in thousands)

	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
<u>Less Expenditures</u>	<u>245.5</u>	<u>411.5</u>	<u>314.7</u>	<u>411.5</u>	<u>314.7</u>
<b>General Fund Impact</b>	<b>(245.5)</b>	<b>(411.5)</b>	<b>(314.7)</b>	<b>(411.5)</b>	<b>(314.7)</b>
<b>NET STATE IMPACT</b>	<b>(\$245.5)</b>	<b>(\$411.5)</b>	<b>(\$314.7)</b>	<b>(\$411.5)</b>	<b>(\$314.7)</b>

### FISCAL IMPACT SUMMARY

The impact of increasing the mileage rate for members of the General Assembly from \$0.29/mile to the 2021 Internal Revenue Service (IRS) business rate of \$0.56/mile is approximately \$411,517 in fiscal years ending in even numbers and \$314,690 in fiscal years ending in odd numbers. The alternating cost is primarily due to alternating long and short sessions of the General Assembly.

### FISCAL ANALYSIS

This analysis examined data from the North Carolina Accounting System regarding actual ground transportation expenditures from FY 2019-20, FY 2020-21, and FY 2021-22 (through May 24, 2022). After reviewing the expenditures over this period, this analysis assumed a typical fiscal year ending with an even number would have approximately 1,524,138 miles reimbursed and a typical fiscal year ending with an odd number would have approximately 1,165,517 miles reimbursed.

The difference between the current IRS business rate (\$0.56/mile) and the rate provided to legislators (\$0.29/mile) is \$0.27/mile. Applying this amount to the estimated miles reimbursed by fiscal year yields the additional costs presented in the Summary Table. Note that the revised rate would take effect upon the convening of the 2023 General Assembly, so the FY 2022-23 estimate reflects less than a full year cost since the higher rate will only be in place for approximately half of FY 2022-23. The 78% proration estimate of the full year cost reflected in FY 2022-23 (i.e.,

full year cost (\$314,690) x 78% = \$245,458, is based on when travel reimbursements were paid in FY 2020-21.

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## **TECHNICAL CONSIDERATIONS**

N/A.

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## **DATA SOURCES**

North Carolina Accounting System

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## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

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## **CONTACT INFORMATION**

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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## **ESTIMATE PREPARED BY**

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## **ESTIMATE APPROVED BY**

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May 25, 2022



**Signed copy located in the NCGA Principal Clerk's Offices**