

# Assembly Hearing Slip

(Please print plainly)

AB453 21

Date: 8-8-01

Bill No. AB 453

Or  
Subject \_\_\_\_\_

Name Tom Oursak - DOR

Street Address or Route Number \_\_\_\_\_

City and Zip Code \_\_\_\_\_

Representing \_\_\_\_\_

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: August 8, 2001

Bill No. AB 453

Or  
Subject \_\_\_\_\_

Name Rep. Bonnie Ladwig

Street Address or Route Number 113 West

City and Zip Code \_\_\_\_\_

Representing \_\_\_\_\_

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 8-8-01

Bill No. 453

Or  
Subject \_\_\_\_\_

Name JEFF SCHWELC

Street Address or Route Number 27120 PLANK RD.

City and Zip Code BURLINGTON, WI. 53105

Representing \_\_\_\_\_

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 8/8/01

Bill No. AB 453

Or Subject Lemon Law (Tax Reimbursement)

Name Chris Snyder

Street Address or Route Number 150 E. Gilman St. Ste A

City and Zip Code Madison, WI 53703

Representing WI. Automobile & Truck Dealers Assoc.

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input checked="" type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 8-8-2001

Bill No. AB-453

Or Subject \_\_\_\_\_

Name SEN Kim Plache

Street Address or Route Number 2614 17th St

City and Zip Code EAGLE WI 53405

Representing 21st Senate District

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

AB 453

Show proof of trade-in value.

DOR supports amended bill.

In the event of a car-purchase w/a trade-in, the trade-in value is deducted from gross-receipts. In bill as amended, if a second purchase is made after lemon, the trade-in value of the first purchase is carried forward

Jan 1, 2001 effective date

# Assembly Committee on Ways and Means

DATE \_\_\_\_\_  
 Moved by Wood Seconded by Turner  
 AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_  
 A \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

06421

- Be recommended for:
- Passage
  - Introduction
  - Adoption
  - Rejection
  - Indefinite Postponement
  - Tabling
  - Concurrence
  - Nonconcurrence

Intro  
Leh-Wood

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz				
4.	Rep. Frank Lasee	3			
5.	Rep. Samantha Starzyk	4			
6.	Rep. Tom Sykora	5			
7.	Rep. Carol Owens	6			
8.	Rep. Luther Olsen	7			
9.	Rep. Wayne Wood	8			
10.	Rep. Bob Ziegelbauer	9			
11.	Rep. Johnie Morris-Tatum	10			
12.	Rep. Mark Pocan	11			
13.	Rep. Bob Turner	12			
	Totals	12	0		

MOTION CARRIED  MOTION FAILED

s:\comclerk\rollcall.1



# **Assembly Republican Majority Bill Summary**

## **AB 453: Sales Tax on Motor Vehicles**

Relating to: sales tax on motor vehicles purchased after a consumer receives a refund under a new motor vehicle warranty.

By Representatives Ladwig, Schneider, Stone, Albers, Bies, Freese, Gronemus, Gunderson, Hundertmark, Johnsrud, Krawczyk, Musser, Nass, Ott, Owens, Pettis, Powers, Skindrud, Staskunas, Sykora, Turner and Petrowski; cosponsored by Senator Plache.

**Date:** November 8<sup>th</sup>, 2001

## **BACKGROUND**

Under current law, the "Lemon Law" provision provides a remedy for a consumer of a new motor vehicle which cannot be repaired. This provision requires the manufacturer to either replace the vehicle or give the consumer a full refund, including any sales tax paid by the consumer at the point of sale. The sales tax is calculated at 5% (plus any applicable local sales tax) of the difference between the purchase price of the vehicle and any vehicle the consumer traded in when he or she purchased the vehicle.

If a consumer uses a refund under the lemon law to purchase a different vehicle, the sales tax is calculated on the full purchase price of the replacement vehicle. Any sales tax saved on the purchase of the original vehicle by virtue of any trade-in is lost on the purchase of the replacement vehicle.

## **SUMMARY OF AB 453 AS AMENDED BY COMMITTEE**

Under AB 453, if a consumer has received a refund under the lemon law for a vehicle purchase that was made with a trade-in and uses the refund to purchase a replacement vehicle, the amount of the trade-in from the prior purchase is carried forward for purposes of determining sales tax due on the replacement vehicle.

## **AMENDMENTS**

Assembly Amendment 1 corrects a drafting error with the original bill. The bill, as originally drafted, would require the purchaser to pay sales tax only on the difference between the original vehicle's purchase price and the replacement vehicle's purchase price (if any). This would result in undue benefit to the purchaser. Assembly Amendment 1 corrects the draft to reflect the author's original intent that a purchaser be only responsible for the sales tax on the difference between the value of the original trade-in and the replacement vehicle price.

## **FISCAL EFFECT**

A fiscal estimate prepared by the Department of Revenue indicates that there would be a decrease in revenues at the state and local level. At the state level, based on certain assumptions, the annualized decrease in revenue is estimated to be \$46,500. At the local level, this annualized decrease in revenue is estimated to be \$3,300.



### **PROS**

1. This bill will safeguard the tax savings of a consumer purchasing a new vehicle and utilizing a trade-in vehicle for that purchase.
2. This bill does not provide the consumer (or the state) any undue enrichment.
3. The annualized decrease in revenue that would result with the passage of this legislation would be minimal.

### **CONS**

1. State and local governments will realize an annualized decrease in revenues as a result of this bill.

### **SUPPORTERS**

Rep. Bonnie Ladwig, author; Sen. Kimberly Plache, lead co-sponsor; Jeff Schimek; Wisconsin Department of Revenue.

### **OPPOSITION**

There are no registrations in opposition to this legislation.

### **HISTORY**

Assembly Bill 453 was introduced on June 26<sup>th</sup>, 2001, and referred to the Assembly Committee on Ways & Means. A public hearing was held on August 8<sup>th</sup>, 2001. On September 5<sup>th</sup>, 2001, the Committee voted 11-1 [Representative Ainsworth voting no, Representative Jeskewitz absent] to recommend passage of AB 453 as amended. On November 6<sup>th</sup>, 2001, the Joint Committee on Finance voted 16-0 to recommend passage of AB 453 as amended.

**CONTACT:** Andrew Nowlan, Office of Rep. Michael Lehman



2777 Stemmons Freeway . Suite 1425  
Dallas, TX 75207  
(214) 634-9100  
Fax: (214) 634-2262

March 6, 2001

Ms. Jeffrey & Rachel Schimek  
27120 Plank Rd  
Burlington, WI 53105-7973

VIN #: 1B7KF23W81J506822

Dear Ms. Schimek:

The breakdown of figures pertaining to the repurchase of your vehicle is as follows

<b>Retail Sales Price</b>		\$29,260.00
Aftermarket Accessories Added	<i>Receipts Must Be Provided</i>	\$0.00
Taxes		\$395.76
License & Title Fees		\$26.00
Doc Fees		\$0.00
Earned Finance Charge		\$696.34
Service Contract		\$0.00
Other:		\$0.00
<b>Less Usage Fee:</b>		\$0.00
<b>Less Rebate</b>		\$1,000.00
<b>Less Damage</b>		\$0.00
<b>Deduction(s)</b>		\$0.00
	<b>TOTAL PAYOFF</b>	\$21,387.48
	<b>TOTAL TO OWNER</b>	\$7,990.62

Please contact ISG immediately if you have any questions regarding the above figures.  
Thank you for cooperation in this matter. Should you have any questions concerning this transaction,  
please contact me at 800.215.6230.

Sincerely,

Lisa Monroe  
Readquisition Coordinator, ISG





Michael (Mickey)  
**Lehman**

State Representative

58th Assembly District

Committee Chair: Ways and Means

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## Memorandum

To: Members, Assembly Ways and Means Committee

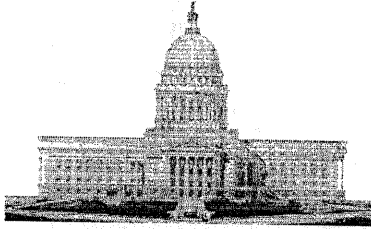
From: Rep. Mickey Lehman

Date: August 3<sup>rd</sup>, 2001

Re: August 8<sup>th</sup>, Ways & Means Meeting

Attached please find two items for the August 8<sup>th</sup> Ways & Means Public Hearing. First is a memorandum from the Department of Revenue relating to Assembly Bill 453. The second item is an amendment (not introduced) to AB 453 from Rep. Ladwig addressing the concerns DOR outlined in their memo.

Also attached please find a memo from WMC relating to Assembly Bill 439, which received a public hearing before Ways & Means on July 25<sup>th</sup>.



## DAN SCHOOFF

STATE REPRESENTATIVE  
WISCONSIN STATE ASSEMBLY

**FOR IMMEDIATE RELEASE**

November 8, 2001

CONTACT: Rep. Dan Schooff  
608/201-1513

### **Schooff Amendment Saves Consumer Dollars**

*Amendment makes sales rebates and coupons tax-exempt*

CAPITOL – Rep. Dan Schooff today passed an amendment on the Assembly floor to make manufacturers' rebates and coupons on all merchandise tax exempt. The law requires the Department of Revenue to charge sales tax based on the final price paid for products. Currently the department charges sales tax based on the merchandise's sticker price.

"The State of Wisconsin has no right to charge people additional sales tax on costs that do not exist," Schooff said. "Currently if someone buys a new car worth \$20,000 and receives a manufacturer's rebate or coupon bringing the price down to \$15,000, then they must pay \$250 in additional taxes. This legislation eliminates an unjustifiable tax on consumers."

The legislation would have a large impact on GM employees, who have to pay taxes on the employee discounts they receive on GM vehicles. Passage of this legislation will potentially save employees hundreds of dollars on the purchase of a car or other large item. It will also save money for all consumers who purchase goods with a manufacturer's rebate or coupon.

"Wisconsin taxpayers pay their fair share of taxes already," Schooff said. "It is very important to closely watch our taxes and make sure citizens aren't being overcharged."

"This is a common sense idea that has the potential to stimulate buying in our economy," Schooff continued. "Simply put, this legislation gives consumers more buying power."

The legislation passed the State Assembly today 97 to 1, and now goes to the Senate. Rep. Schooff introduced the proposal as an amendment to Assembly Bill 453. The amendment is identical in wording to Assembly Bill 15, originally introduced by Rep. Mickey Lehman.

-MORE-

**HOME**

744 Wisconsin Avenue  
Beloit, Wisconsin 53511-5537  
608-365-8157  
Rep.Schooff@legis.state.wi.us

**STATE CAPITOL**

Post Office Box 8953  
Madison, Wisconsin 53708-8953  
888-534-0045 or 608-266-9967  
Fax: 608-282-3645

**BILL SUMMARY:**

*Under current law, the state imposes a sales tax on all retailers at the rate of 5% of the gross receipts from the sale of tangible personal property. The retailer generally passes the sales tax on to the consumer. The state also imposes a use tax on all consumers, at the rate of 5% of the sales price for the use or storage of tangible personal property in this state that the consumer either purchases from out-of-state retailers or purchases without paying the appropriate sales tax. Under current law, when a consumer either purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the original price of the tangible personal property rather than on the price as reduced by the manufacturer's rebate.*

*Under this bill, when a consumer purchases tangible personal property that qualifies for a manufacturer's rebate, the consumer pays either a sales tax or a use tax on the price of the tangible personal property as reduced by the manufacturer's rebate rather than on the original price.*

-- 30 --

**HOME**  
744 Wisconsin Avenue  
Beloit, Wisconsin 53511-5537  
608-365-8157  
Rep.Schooff@legis.state.wi.us

**STATE CAPITOL**  
Post Office Box 8953  
Madison, Wisconsin 53708-8953  
888-534-0045 or 608-266-9967  
Fax: 608-282-3645



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**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

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**2001 Assembly Bill 453**

**Assembly Amendments 1 and 2**

**Memo published: November 9, 2001**

**Contact: William Ford, Senior Staff Attorney (266-0680)**

*Assembly Bill 453* allows a person who purchases a motor vehicle (the “replacement vehicle”) after having received a refund from a manufacturer for a motor vehicle determined to be a “lemon” under the state lemon law to reduce the amount of sales tax paid on the purchase of the replacement vehicle by the amount of sales tax that was previously saved when he or she traded in a motor vehicle towards the purchase of the motor vehicle determined to be a lemon.

*Assembly Amendment 1* clarifies the intent of Assembly Bill 453 and requires that the replacement vehicle be purchased within 60, rather than 180, days after receiving a refund under the lemon law in order to credit the amount of sales tax paid on the trade-in vehicle against the purchase of the replacement vehicle. In addition, Assembly Amendment 1 addresses some technical concerns raised by the Department of Revenue and provides that the sales tax credit for the trade-in vehicle may not exceed the sales tax imposed on the purchase of the replacement vehicle and that the credit can only be used to reduce the gross receipts on a replacement vehicle once.

*Assembly Amendment 2* provides that a manufacturer’s rebate that reduces the amount paid to the retailer of that property at the time of sale is not included in gross receipts for purposes of determining the sales tax.

Under current law, the sales tax is imposed on the gross *receipts* from the sale of tangible personal property and certain taxable services. Because of this, it is the amount of money received by the retailer, rather than the amount paid by the buyer, that determines the amount of the sales tax.

Currently, the Department of Revenue treats a manufacturer’s rebate as an amount received by the retailer and imposes the sales tax on that amount, even though the amount is not paid by the buyer. Because the buyer pays the sales tax, he or she has to pay an amount of sales tax based on a sales price that may be higher than what he or she paid for the item.

Assembly Amendment 1 was adopted by the Assembly Committee on Ways and Means by a vote of Ayes, 12, Noes, 0, and Assembly Bill 453 was recommended for passage, as amended, by a vote of Ayes, 11, Noes, 1, on September 17, 2001. Assembly Amendment 2 was adopted by the Assembly on a voice vote on November 8, 2001.

WF:rv:jal;wu

~~sect 5~~

Bill as amend would never return more money to the purchaser than the purchaser initially paid.

134

244

281

439 → Amend

453

386

Car 1 \$25k sticker

Sticker	25,000
Less Trade-in	10,000
Amount due	15,000
tax	<u>750</u>
Purchaser pays	15,750

Car is a Lemon

Check from Manuf \$25,750

Car 2 \$23,000

Sticker	\$23,000
Credit of trade	\$10,000
Amount Due	\$13,000
tax	650
Purchaser pays	\$13,650



## Assembly Bill 453

Joe Schmoe purchases a new vehicle for \$20,000. Since Joe has a \$5,000 trade-in to apply towards the price, Joe pays \$750 in sales tax, which is 5% of the \$15,000 difference between the price of the new vehicle (\$20,000) and the value of the trade-in (\$5,000).

The new vehicle has enough serious problems that it is a lemon. Joe returns the vehicle and the manufacturer refunds Joe the \$15,000 purchase price of vehicle plus the \$750 sales tax paid.

Joe purchases a replacement vehicle for \$20,000 (the same purchase price as the lemon). Since Joe no longer has a trade-in to apply towards the purchase price, he pays \$1,000 in sales tax. So Joe has had the misfortune to buy a lemon and then has to pay an additional \$250 in sales tax on the replacement vehicle.

If Joe had been an ordinary buyer and had not purchased a lemon, he would have paid \$750 in sales tax, which is 5% of the difference between the purchase price of the vehicle and the value of his trade-in. The diagram below uses \$750 as a benchmark to compare current law and AB 453.



### Current Law

Joe pays \$1,000 in sales tax on the replacement vehicle (\$1,000 = 5% x \$20,000).

When Joe had a \$5,000 trade-in, he only paid \$750. So, Joe is \$250 worse off for having had a lemon.

**Net loss/gain to customer:**

**- \$250**

### Under AB 453

Joe pays sales tax only on the difference between the price of the replacement vehicle (\$20,000) and the price of the lemon (\$20,000). Since  $\$20,000 - \$20,000 = \$0$ , Joe would owe no sales tax.

If Joe were an ordinary buyer, he would have paid \$750 in sales tax. Since Joe pays \$0 in sales tax under AB 453, Joe is \$750 better off.

**Net loss/gain to customer:**

**+750**

### Under AB 453, Amended

Joe pays sales tax on the difference between the purchase price of the replacement vehicle (\$20,000) and the value of the trade-in on the lemon (\$5,000). Thus Joe pays \$750 sales tax on the \$15,000 difference.

Joe pays the same amount of sales tax (\$750) as on his original purchase. Joe is treated like any other buyer and is no worse nor better off.

**Net loss/gain to customer:**

**\$0**



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

July 12, 2001

## MEMORANDUM

**To:** Representative Ladwig

**From:** Peggy Hurley, Legislative Attorney, (608) 266-8906  
Joseph T. Kreye, Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2001 AB-453** (LRB 01-2209/1)

---

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

**MEMORANDUM**

July 12, 2001

**TO:** Peggy Hurley and Joseph Kreye  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical Memorandum on 2001 AB 453 Regarding Sales Tax on Vehicles  
Purchased Subsequent to a Lemon Law Refund

Under current law, sales tax is imposed on the amount of the difference between the purchase price of a motor vehicle and the trade-in value, if any. If the purchaser returns the vehicle to the manufacturer under the lemon law, the sales tax is refunded. If the purchaser subsequently buys a replacement vehicle, sales tax is imposed on the entire purchase price of that vehicle, with no allowance for the value of the purchaser's trade-in on the lemon.

Under the bill, if the purchaser buys a replacement vehicle within 180 days of receiving a lemon law refund, sales tax is imposed only on the amount of the difference between the price of the replacement vehicle and the price of the lemon. Thus, for the replacement vehicle, sales tax is not paid on an amount equal to the purchase price of the lemon under the bill.

We suggest that the bill be amended so that sales tax is imposed on the amount of the difference between the purchase price of the replacement vehicle and the trade-in value on the lemon. With this amendment, the sales tax on a replacement vehicle will be comparable to the tax on other motor vehicle purchases.

If you have questions regarding this technical memorandum, please contact Blair Kruger at 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).

DC:BPK

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

LRB Number **01-2209/1**      Introduction Number **AB-453**

**Subject**

Sales tax on vehicles purchased subsequent to lemon law refund

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
- 1.  Increase Costs
  - Permissive  Mandatory
- 2.  Decrease Costs
  - Permissive  Mandatory
- 3.  Increase Revenue
  - Permissive  Mandatory
- 4.  Decrease Revenue
  - Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns
  - Counties
  - Village
  - Others
  - School Districts
  - WTCS Districts
  - Cities
  - Ballpark & stadium districts

**Fund Sources Affected**

GPR     FED     PRO     PRS     SEG     SEGS 20.835(4)(g), (gd) and (ge)

**Affected Ch. 20 Appropriations**

**Agency/Prepared By**

DOR/ Blair Kruger (608) 266-1310

**Authorized Signature**

Dennis Collier (608) 266-5773

**Date**

7/12/01

## Fiscal Estimate Narratives

DOR 7/12/01

LRB Number	01-2209/1	Introduction Number	AB-453	Estimate Type	Original
<b>Subject</b>					
Sales tax on vehicles purchased subsequent to lemon law refund					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, sales tax is imposed on the amount of the difference between the purchase price of a motor vehicle and the trade-in value, if any. If the purchaser returns the vehicle under the lemon law, the sales tax is refunded. Also under current law, if the purchaser buys a vehicle to replace the lemon, sales tax is imposed on the entire purchase price of the replacement vehicle; the sales tax is not reduced for the value of the purchaser's trade-in on the lemon.

Under the bill, if the person buys a replacement vehicle within 180 days of returning a lemon to the manufacturer, sales tax is imposed only on the amount of the difference between the price of the replacement vehicle and the value of the purchaser's trade-in on the lemon. Thus, under the bill, sales tax would not be collected on the value of the trade-in on a lemon.

Based on a sample of 35 lemon law refunds, the average value of the trade-in on a lemon is about \$11,200. Therefore, sales taxes would decrease by about \$560 ( $\$11,200 \times 5\%$ ) per replacement vehicle under the bill. The Department refunded sales tax on 65 and 101 lemons in FY00 and FY01, respectively. Assuming an average of 83 lemon law refunds per year, sales taxes would decrease by about \$46,500 ( $\$560 \times 83$ ) per year under the bill.

County, ballpark and stadium sales taxes are expected to be 7.064% of state sales taxes in 2001 and so these local sales taxes would decrease by about \$3,300 ( $\$46,500 \times 7.064\%$ ) per year under the bill.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-2209/1	<b>Introduction Number</b> AB-453	
<b>Subject</b> Sales tax on vehicles purchased subsequent to lemon law refund		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS (20.835(4)(g) et al)		-46,500
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-46,500</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-46,500	\$- 3,300
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
DOR/ Blair Kruger (608) 266-1310		Dennis Collier (608) 266-5773
		7/12/01