

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-2310/1	Introduction Number AB-0495
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Description
 Municipal sales and use tax for transportation purposes and making an appropriation

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input checked="" type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.566(1) (gh), 20.835 (4) (gh)	

Agency/Prepared By DOR/ Travis Arthur (608) 266-8565	Authorized Signature Robert Schmidt (608) 266-5773	Date 11/25/2015
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Fiscal Estimate Narratives

DOR 11/25/2015

LRB Number	15-2310/1	Introduction Number	AB-0495	Estimate Type	Original
Description					
Municipal sales and use tax for transportation purposes and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill allows a municipality to impose a sales and use tax on the sale or use of motor vehicle fuel in the municipality. The tax must be used for transportation purposes and cannot exceed 5 percent of the sales price. The state will retain 1.75% of the total municipal sales tax on motor vehicle fuels to cover administrative costs.

Motor vehicle fuel includes both gasoline and diesel fuels. The department collects monthly consumption figures for gasoline and diesel fuels.

Gasoline:

In FY15, Wisconsin gasoline consumption totaled 2.748 billion gallons. Using publicly available data on fuel prices, the department estimates the weighted average price of regular gasoline to be \$2.82 in FY15. Total revenue from gasoline was \$7.757 billion (2.748 billion gallons * \$2.82) in FY15. Assuming each municipality imposes the maximum tax rate of 5 percent, the local tax amount collected is estimated to be \$388 million (\$7.757 billion * 5%).

Diesel:

In FY15, Wisconsin diesel fuel consumption totaled 837 million gallons. Using publicly available data on fuel prices, the department estimates the weighted average price of diesel fuel was \$3.29 in FY15. Total revenue from diesel in FY15 was \$2.754 billion (837 million gallons * \$3.29). Assuming each municipality imposes the maximum tax rate of 5 percent, the tax amount collected is estimated to be \$138 million (\$2.754 billion * 5%).

For FY15, the total tax amount collected is estimated to be \$526 million (\$388 + \$138).

Municipality:

For illustrative purposes; the Appleton share of the Wisconsin population is estimated to be 1.3%. Applying this share to the total gallons of motor fuel consumed, suggests Appleton would generate approximately \$6.8 million from a 5% local sales tax on motor fuels.

The administrative fee revenue will offset the ongoing administrative costs. The Department estimates a one-time cost of \$77,000 for programming changes to WINPAS, the state's tax processing software.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

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Description Municipal sales and use tax for transportation purposes and making an appropriation		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
The Department estimates a one-time cost of \$77,000 for programming changes to WINPAS, the state's tax processing software.		
II. Annualized Costs:		Annualized Fiscal Impact on funds from:
		Increased Costs Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$See text	\$See text
Agency/Prepared By		
Authorized Signature		Date
DOR/ Travis Arthur (608) 266-8565		Robert Schmidt (608) 266-5773
		11/25/2015