

FISCAL ESTIMATE
DOA-2048 N(R10/94)

X ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB 935 99-4075/1
Amendment No. if Applicable

Subject
Eliminates the annual adjustment to the motor vehicle fuel tax rate.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation X Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. X Decrease Revenues
 Permissive X Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS X SEG SEG-S

Affected Ch. 20 Appropriations

20.395 (1)(ar), 20.395(1)(as), 20.395(1)(at), 20.395(1)(br), 20.395(1)(bs), 20.395(1)(cq), 20.395(1)(cr), 20.395(1)(fq), 20.395(1)(fs)m 20.395(1)(ft), 20.395(1)(fu), 20.395(1)(gq), 20.395(1)(hq), 20.395(1)(hr), 20.395(1)(hs), 20.395(1)(ht), 20.395(1)(hu), 20.395(2)(aq), 20.395(2)(eq), 20.395(fr), 20.395(2)(hr), 20.395(2)(iq), 20.395(2)(jq), 20.295(3)(bq), 20.395(3)(cq), 20.395(3)(eq), 20.395(3)(iq), 20.395(ir), 20.395(4)(aq), 20.395(4)(ar), 20.395(5)(cq), and 20.395(5)(dq).

Assumptions Used in Arriving at Fiscal Estimate

The motor vehicle fuel tax rate is re-computed annually on April 1st based upon the annual change in the Consumer Price Index - Urban (CPI).

Based upon the 2.2% increase in CPI (1999 versus 1998,) the motor fuel tax rate is estimated to increase from \$0.258 per gallon to \$0.264 per gallon on April 1, 2000.

Motor fuel tax revenues are estimated at \$804.1 million and \$828 million for FY 2000 and FY2001 respectively.

Under AB 935 the motor vehicle fuel tax rate would not annually be adjusted each April 1st and remain at \$0.258 per gallon.

Based upon AB 935 revenues are estimated at \$799.4 million and \$804.6 million for FY 2000 and FY2001 respectively. A revenue loss of \$-4.7 million in FY 2000 and \$-23.4 million in FY 2001.

Total impact in the 1999-2001 biennium is a loss of \$-28.1 million.

The FY 2001 amount represents a full fiscal year impact of suspending the adjustment to the motor fuel tax rate.

Long-Range Fiscal Implications

Eliminating the annual April 1st adjustment to the motor vehicle fuel tax would result in the permanent loss of an expected \$0.018 increase in the rate. Estimated revenue from the projected rate increase was appropriated in the department's 1999-2001 biennial budget. Subsequently, changing the tax rate could leave an imbalance in departmental expenditures and revenues.

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Date
April 4, 2000

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED
SUPPLEMENTAL

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99-4075/1	

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:

A. State Costs by Category

	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -

B. State Costs by Source of Funds

	Increased Costs	Decreased Costs
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		\$-23,400,000-
TOTAL State Revenues	\$	\$ --23,400,000

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUES	\$-23,400,000.00	\$

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