

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # -3374/1**

**INTRODUCTION # SB 266**

**Admin. Rule #**

**Subject**

**Exclude Insurance Settlements Used to Replace Stolen Cars from the Definition of Gross Receipts**

**Fiscal Effect**

**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation     Increase Existing Revenues  
 Decrease Existing Appropriation     Decrease Existing Revenues  
 Create New Appropriation

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

Decrease Costs

**Local:**  No Local Government Costs

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

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

5. Types of Local Governmental Units Affected:

- Towns     Villages     Cities  
 Counties     Others    SWPBD  
 School Districts     WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate:**

Under current law, if a person purchases an automobile to replace one that has been stolen, the person pays sales or use tax based on the full purchase price of the replacement automobile. Under this bill, if a person purchases an automobile to replace one that has been stolen, the sales or use tax would be owed only on that part of the purchase price that is the difference between the full price of the replacement automobile and the amount received from an insurer as a settlement related to the stolen automobile.

The U.S. Federal Bureau of Investigation (FBI) defines motor vehicle theft as the attempted or actual theft of a motor vehicle, including automobiles, trucks, buses, motorcycles, motorscooters, snowmobiles, etc. According to the FBI, some 15,640 vehicles were stolen in Wisconsin in 1997. The average value per vehicle at the time of theft was \$5,416; therefore, the total value of stolen automobiles was an estimated \$84.7 million (15,640 x \$5,416) in 1997. According to the FBI, the recovery rate for stolen vehicles is 67%; therefore, the value of insurance settlements for unrecovered stolen vehicles was \$27.9 million (\$84.7 million x 33%) in 1997.

Preliminary statistics for 1998 and 1999 indicate that while the total number of vehicles stolen has fallen, their value has increased. Using a standard inflation adjustment based on the Consumer Price Index, the estimated value of non-recovered stolen vehicles would be \$29 million in 2000 (\$27.9 million x 1.038). Assuming all proceeds are applied toward a replacement vehicle, this bill would reduce sales and use tax revenue by \$1.5 million (\$29 million x 5%) annually.

In 1998, county and Southeastern Wisconsin Professional Baseball Park District sales tax revenues were 6.24% of state sales tax revenues. Assuming that this percentage still applies, local sales tax revenues would decline by approximately \$94,000 (\$1.5 million x 6.24%) annually.

**Long-Range Fiscal Implications:**

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**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

**LRB # - 3374/1**

**Admin. Rule #**

**INTRODUCTION # SB 266**

**Subject**

**Exclude Insurance Settlements Used to Replace Stolen Cars from the Definition of Gross Receipts**

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

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringe (FTE Position Changes)	\$ ( FTE)	\$ - ( - FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$ -</b>
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	\$	\$ - 1.5 million
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -1.5 million</b>

**NET ANNUALIZED FISCAL IMPACT**

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 1.5 million	\$ - 94,000

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