Fiscal Estimate - 2001 Session

X	Original		Updated		Corrected		Supplemental		
LRB	Number	01-3029/1		Intro	duction Numb	er Al	B-399		
Subje	ct			•					
Gasoli	ne tax exemp	otion for municip	alities						
Fiscal	Effect								
Local:	No Local Go Indeterminat 1. Increas Permiss 2. Decrea	Existing tions Existing tions ew Appropriation vernment Costs e e Costs sive Mandato se Costs	Revenue Revenue S 3. Increase y Permissi 4. Decreas	e Existing es Revenue ve Mance e Revenue	absorb Decreal 5.Types of Units Aff Tow latory Cou Scholatory Distr	within age Yes se Costs f Local Go fected ns nties ool	Village Cities Others WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS 20.566 (1) (u)									
GF	PR 💹 FEC	PRO L] PRS 🛛 SE	:G 📋 SI	EGS 20.566 (1) (u)			
Agend	y/Prepared	Ву	A	uthorized !	Signature		Date		
DOR/ Jacek Cianciara (608) 266-8133 Denr				nnis Collier (608) 266-5773			5/4/01		

Fiscal Estimate Narratives DOR 5/15/01

LRB Number 01-3029/1	Introduction Number	AB-399	Estimate Type	Original				
Subject				•				
Gasoline tax exemption for municipalities								

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an excise tax is imposed on gasoline and diesel fuel received by a fuel supplier for sale in this state. The excise tax on gasoline and diesel fuel is passed on to the consumer of the gasoline or diesel fuel. Annually, the department of revenue adjusts the excise tax rate based on the U.S. consumer price index.

This bill exempts any city, village, town, or county in this state, that purchases and uses gasoline or diesel fuel, from paying the excise tax imposed on gasoline and diesel fuel.

A Department of Transportation Cost Allocation Study indicated that vehicles owned by counties and municipalities consumed 36.6 million gallons of fuel in 1989. Adjusting for statewide growth in fuel consumption between 1989 and FY02, it is estimated that vehicles owned by counties and municipalities will consume 47.84 million gallons of fuel in FY02. Applying the 27.3 cents per gallon motor vehicle fuel tax rate to this consumption yields tax of \$13 million, which would be the revenue loss from an exemption for county and municipal fuel consumption under this bill.

The Department of Revenue would one-time costs of \$61,000 to develop and mail new forms and revise computer applications and ongoing costs of \$2,500. The bill does not provide funding for these costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original Updated	Corrected	Supplemental							
LRB Number 01-3029/1	Introduction Number	er AB-399							
Subject									
Gasoline tax exemption for municipalities									
I. One-time Costs or Revenue Impacts for annualized fiscal effect): \$61,000	State and/or Local Government	(do not include in							
II. Annualized Costs:	Annualized Fisca	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	2,500								
Local Assistance									
Aids to Individuals or Organizations									
TOTAL State Costs by Category	\$2,500	\$							
B. State Costs by Source of Funds	<u> </u>								
GPR		· · · · · · · · · · · · · · · · · · ·							
FED									
PRO/PRS									
SEG/SEG-S	2,500								
III. State Revenues - Complete this only w (e.g., tax increase, decrease in license fee	hen proposal will increase or de , ets.)	crease state revenues							
	Increased Rev	Decreased Rev							
GPR Taxes	\$	\$							
GPR Earned									
FED									
PRO/PRS									
SEG/SEG-S (Transportation)		-13,000,000							
TOTAL State Revenues	\$	\$-13,000,000							
NET ANNU	JALIZED FISCAL IMPACT	· · · · · · · · · · · · · · · · · · ·							
	<u>State</u>	Local							
NET CHANGE IN COSTS	\$2,500	\$							
NET CHANGE IN REVENUE	\$-13,000,000	\$							
Agency/Prepared By	Authorized Signature	Date							
DOR/ Jacek Cianciara (608) 266-8133	Dennis Collier (608) 266-5773	5/4/01							