## Fiscal Estimate - 2003 Session

Original Updated	Corrected Supplemental						
LRB Number <b>03-2509/1</b>	Introduction Number AB-415						
Subject Sale of motor fuel under the unfair sales act							
Fiscal Effect							
Appropriations Decrease Existing Appropriations Rever Appropriations Create New Appropriations  Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory Permis 2. Decrease Costs 4. Decre	absorb within agency's budget  Yes No  Decrease Costs  5.Types of Local Government Units Affected Towns Village Cities Counties Others  School WITCS						
Permissive Mandatory Permi	ssive Mandatory Districts Districts						
Fund Sources Affected Affected Ch. 20 Appropriations							
GPR FED PRO PRS SEG SEGS							
Agency/Prepared By	Authorized Signature Date						
DOR/ Jacek Cianciara (608) 266-8133	Yeang-Eng Braun (608) 266-2700 7/17/2003						

## Fiscal Estimate Narratives DOR 7/17/2003

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LRB Number	03-2509/1	Introduction Number	AB-415	Estimate Type	Original	
Subject						
Sale of motor fuel under the unfair sales act			1	,		

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

Under current law, with certain exceptions, the state Unfair Sales Act or "minimum markup" law requires a wholesaler or retailer of motor vehicle fuel to sell fuel for at least a certain percentage above its cost.

Current law provides a specific method for determining the cost to the wholesaler or the retailer. The motor vehicle fuel cost is calculated as the greater of the computed cost or the average posted terminal price plus excise taxes and certain overhead costs.

Under current law, sales where the price of merchandise is established in good faith to meet an existing price of a competitor are exempt from Unfair Sales Act. Under this bill, the exemption applies with respect to the sale of motor vehicle fuel only if the direct competitor is located in this state.

This bill has no significant impact on state motor fuel tax revenues or Department of Revenue costs.

**Long-Range Fiscal Implications**