

Fiscal Estimate Narratives
DOT 12/17/2003

LRB Number	03-3637/2	Introduction Number	AB-699	Estimate Type	Original
Subject					
Modify ethanol incentive program					

Assumptions Used in Arriving at Fiscal Estimate

The Bill eliminates the June 2006 sunset on the current ethanol subsidy program, provides sum sufficient funding for the subsidy, reduces the per gallon subsidy, and provides a graduated subsidy schedule based on gallons produced.

Section 8 of the bill changes DOT's reporting requirements on the impact of ethanol sales in the state on federal transportation funding the state receives to extend indefinitely to coincide with the elimination of the subsidy sunset. This provision of the bill will have no fiscal effect for the Department.

It is difficult to determine the effect other provisions of the Bill will have on sales of ethanol fuel in the state and the resulting loss in federal transportation funding the state incurs due to those sales and the current federal fuel tax structure.

Long-Range Fiscal Implications

Unknown