

Fiscal Estimate Narratives

DOR 5/17/2005

LRB Number 05-2865/1	Introduction Number AB-407	Estimate Type Original
Subject		
Temporarily reduce the motor vehicle fuel tax rate		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the motor vehicle fuel tax rate is adjusted each year based on the annual average change in the US Consumer Price Index. This bill would temporarily alter the motor vehicle fuel tax rate by reducing by five cents the rate between June 1, 2005 and September 6, 2005. On September 7, 2005 the motor vehicle fuel tax rate would be restored to the April 1, 2005 rate.

This temporary measure will reduce state tax revenue on fuel sales. Based on department estimates of fuel consumption, the five cent reduction in the fuel tax rate would reduce tax revenues by \$41 million over the three month period identified in this bill. There would also be costs for the department related to taxpayer communication totaling approximately \$17,000.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Temporarily reduce the motor vehicle fuel tax rate			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$41 million in a one-time SEG revenue reduction, and \$17,000 in one-time printing and mailing costs.			
II. Annualized Costs:		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		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	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		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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