

## Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-3550/1</b>	<b>Introduction Number</b> <b>AB-726</b>
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**Subject**  
 Refunds for motor vehicle fuel tax paid by certain entities

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	(This section is currently blank)

<b>Agency/Prepared By</b> DPI/ Michael Bormett (608) 266-2804	<b>Authorized Signature</b> Michael Bormett (608) 266-2804	<b>Date</b> 12/14/2005
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## Fiscal Estimate Narratives

DPI 12/15/2005

LRB Number	<b>05-3550/1</b>	Introduction Number	<b>AB-726</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Refunds for motor vehicle fuel tax paid by certain entities					

### Assumptions Used in Arriving at Fiscal Estimate

Under this bill, a city, village, town, county, school district, or technical college district that has purchased motor vehicle fuel for its own use may file a claim with the Department of Revenue (DOR) and receive a refund for the amount of the motor vehicle fuel tax that the entity paid on the purchase of the motor vehicle fuel. In addition, a person who transports students to and from school activities pursuant to a contract with a school district may file a claim with DOR and receive a refund for the amount of the tax that the person paid on the purchase of motor vehicle fuel that the person used for such transportation.

This fiscal note assumes that the bill will be effective for the 2006-07 school year. The motor fuel tax rate is projected to be 31.3 cents in 2006-07.

### State Fiscal Effect

This bill will have no fiscal effect on DPI appropriations. The estimated loss of motor fuel tax revenue to the state is indeterminate due to the use of contracted bus services by school districts and the lack of data to estimate the fuel consumption under those contracts. For school districts purchasing their own motor fuel, the bill is estimated to reduce motor fuel tax revenues by \$1,971,900 in 2006-07.

### Local Fiscal Effect

This estimate does not include the effect on motor fuel taxes paid by companies or municipal bus services that are under contract with school districts (including Madison and Milwaukee) to transport pupils. The department does not have data to estimate the amount of motor fuel purchased by the contracted services.

In 2004-05, school districts purchased \$11.8 million of motor fuel. Assuming an average fuel cost in 2004-05 of \$1.88/gallon, this translates into an estimated 6.3 million gallons of motor fuel. If this level of fuel consumption remains constant in 2006-07, under this bill school districts will be eligible to receive \$1,971,900 in motor fuel tax rebates ( $\$0.313/\text{gallon} \times 6,300,000 \text{ gallons}$ ).

### Long-Range Fiscal Implications