



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

November 29, 2005

MEMORANDUM

To: Representative Nass

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2005 AB-797** (LRB 05-3656/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

November 23, 2005

TO: Joe Kreye
Legislative Reference Bureau

FROM: Paul Ziegler
Department of Revenue

SUBJECT: Technical Memorandum on AB 797, creating a temporary suspension of the motor vehicle fuel tax and eliminating the automatic annual increase in the motor vehicle fuel tax rate.

The Department of Revenue has several concerns with AB 797:

1. The bill provides for a suspension of the tax for motor vehicle fuel, which covers gasoline and diesel fuel. The bill also eliminates the automatic annual increase in the motor vehicle fuel tax rate. The changes in the bill do not apply to alternate fuels, such as LPG (liquefied propane) and CNG (compressed natural gas) although Wisconsin Statute 78.405 provides for an annual adjustment of the alternate fuel tax rate. The bill's author may consider including LPG and fuel for CNG-powered vehicles in both the suspension of the fuel tax and the elimination of the annual adjustment.
2. The Department of Revenue would incur one-time costs of \$75,000 to develop and revise computer applications. The bill does not provide funding for these costs. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>
One-time	20.566(1) (a)	\$75,000

If you have any questions regarding this technical memorandum, please contact Jacek Cianciara, at 266-8133.

cc: Representative Nass