

## 2005 ASSEMBLY BILL 950

January 30, 2006 – Introduced by Representatives HAHN, PETROWSKI, ALBERS, HINES, MOULTON, MURSAU, MUSSER, OWENS, PETTIS and FREESE, cosponsored by Senator A. LASEE. Referred to Committee on Transportation.

1     **AN ACT** *to amend* 86.30 (2) (e); and *to create* 25.40 (1) (bn) and 78.23 of the  
2             statutes; **relating to:** depositing sales and use tax revenues from the sale or use  
3             of motor vehicle parts into the transportation fund and general transportation  
4             aids to local governments.

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### ***Analysis by the Legislative Reference Bureau***

Under this bill, annually, beginning in 2007, the amount of the sales and use taxes imposed on the sale or use of motor vehicle parts will be deposited into the transportation fund.

Under current law, the Department of Transportation (DOT) administers a general transportation aids program that makes aid payments, from a total amount of aids established by statute, to each county based on a share-of-costs formula and to each city, village, or town (municipality) based on the greater of a share-of-costs formula for municipalities or an aid rate per mile. There are restrictions on how much aid payments can increase or decrease as a result of the calculations or information used to determine aid payment distributions. Aid payments may also be reduced (or increased) to correct for a prior overpayment (or underpayment) of aids, as a penalty for failure to meet reporting deadlines and requirements with respect to information used to calculate aid payments, and, upon direction of the Department of Revenue (DOR), to a county that has imposed an operating levy in excess of the operating levy limit established by law. These general transportation aids are paid in quarterly installments on a calendar-year basis and, if aid adjustments are necessary, DOT may adjust any of the scheduled quarterly aid

**ASSEMBLY BILL 950**

payments to a county or municipality. Counties and municipalities must use these aids for transportation-related expenditures.

This bill specifies that DOT may not adjust or reduce, and neither DOR nor the Department of Administration may require adjustment or reduction of, aid payments except for these reasons provided under current law.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 25.40 (1) (bn) of the statutes is created to read:

2           25.40 (1) (bn) From the taxes imposed under ss. 77.52 and 77.53 on the sale or  
3 use of motor vehicle parts, all moneys deposited under s. 78.23 (2).

4           **SECTION 2.** 78.23 of the statutes is created to read:

5           **78.23 Deposit into the transportation fund. (1)** Beginning in 2007, on or  
6 before June 30 of each year, the department of revenue shall determine an estimate  
7 of the amount of taxes imposed under ss. 77.52 and 77.53 on the sale or use of motor  
8 vehicle parts that were actually generated in the current fiscal year.

9           **(2)** Beginning in 2007, on July 1 of each year, the amount determined under  
10 sub. (1) shall be deposited into the transportation fund.

11           **SECTION 3.** 86.30 (2) (e) of the statutes is amended to read:

12           86.30 (2) (e) *Aid payments.* General transportation aids under this section  
13 shall be calculated and distributed on the basis of a calendar year. General  
14 transportation aids shall be paid in 4 equal installments on the first Monday in  
15 January, April, July and October. If adjustments are necessary, the department may  
16 adjust any of the scheduled aid payments in a calendar year. The payments shall be  
17 made from the appropriation under s. 20.395 (1) (as) or (at) for the fiscal year in which  
18 the payments are made. The department may not adjust or reduce, and neither the

**ASSEMBLY BILL 950**

1 department of revenue nor the department of administration may require  
2 adjustment or reduction of aid payments under this section except as specifically  
3 authorized under this subsection or s. 86.303 (5) or (7).

4 (END)