

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-3339/1		Introduction Number SB-331	
Subject Eliminating the annual adjustment of the motor vehicle fuel tax rate			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By DOR/ Jacek Cianciara (608) 266-8133		Authorized Signature Paul Ziegler (608) 266-5773	Date 10/14/2005

Fiscal Estimate Narratives
DOR 10/17/2005

LRB Number	05-3339/1	Introduction Number	SB-331	Estimate Type	Original
Subject					
Eliminating the annual adjustment of the motor vehicle fuel tax rate					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the rate of the motor vehicle fuel tax is annually adjusted by multiplying the tax rate by the percentage change in the annual average U.S. Consumer Price Index.

Under this bill, in each fiscal year beginning in 2007 the motor vehicle fuel tax is no longer annually adjusted.

Based on projections by the Department of Transportation, the estimated fiscal impact of not adjusting the motor fuel tax for inflation creates a loss for the transportation fund of \$5.1 million SEG revenues in FY07 and \$26.0 million SEG revenues in FY08.

The bill's SEG revenue reduction would increase annually as the gap grows between the motor fuel tax rate that would have occurred with the annual inflation adjustments and the rate that will remain in place without the inflation adjustment. For FY09, the SEG revenue reduction is expected to increase to \$41.9 million.

Department of Revenue would incur minimal costs that would be absorbed in the department's budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Eliminating the annual adjustment of 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):			
For the portion of FY07 impacted by the bill, SEG revenues would decline by \$5.1 million.			
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, ets.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (78.01)			-26,000,000
TOTAL State Revenues		\$	-\$26,000,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-26,000,000	\$
Agency/Prepared By		Authorized Signature	Date
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