

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1743/1	Introduction Number SB-053
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Description
 Relating to: exempting school districts from the motor vehicle fuel tax

Fiscal Effect

State:

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

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	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<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 <input type="checkbox"/> Counties <input type="checkbox"/> Others <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 checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DPI/ Kimberly Chase (608) 266-1344	Authorized Signature Michael Bormett (608) 266-2804	Date 3/6/2007
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Fiscal Estimate Narratives
DPI 3/6/2007

LRB Number 07-1743/1	Introduction Number SB-053	Estimate Type Original
Description Relating to: exempting school districts from the motor vehicle fuel tax		

Assumptions Used in Arriving at Fiscal Estimate

SB 53 would create an excise tax exemption on gasoline or diesel fuel sold to school districts and persons under contract with the school district for transporting students to and from school activities.

State: This bill will have no effect on DPI appropriations. However, if school districts were exempt from paying the excise tax on gasoline and diesel fuel, there would be less money going into the state segregated Transportation Fund.

The amount of motor vehicle fuel tax that districts would be exempted from paying is indeterminable due to the use of contracted bus services 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 vehicle fuel tax revenues by \$1,884,900 in 2007-08.

Local: SB 53 could benefit school districts as it would exempt them from paying excise tax on gasoline and diesel fuel used to transport pupils to and from schools. Districts may be able to negotiate lower contracted transportation costs under this bill; although, it is unknown whether contracted bus companies would pass on some or all of their tax savings to the school district.

DPI does not have data to estimate the fiscal effect on motor vehicle fuel taxes paid by companies or municipal bus services that are under contract with school districts (including Madison and Milwaukee). However, a fiscal effect for districts purchasing their own fuel can be estimated. The motor vehicle fuel tax rate is 30.9 cents per gallon (sec. 78.01(1), Wis. Stats.).

In 2005-06, school districts purchased \$15.9 million of motor fuel. Assuming an average fuel cost in 2005-06 of \$2.607/gallon, this translates into an estimated 6.10 million gallons of motor fuel. If this level of fuel consumption remains constant in 2007-08, under this bill school districts would be exempt from paying \$1,884,900 in motor fuel tax ($\$0.309/\text{gallon} \times 6,100,000 \text{ gallons}$).

Long-Range Fiscal Implications