

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-0064/1	Introduction Number AB-0112
Description Exempting school districts from the motor vehicle fuel tax	
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 type="checkbox"/> Yes <input checked="" 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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.566(1)(u)	
Agency/Prepared By DOR/ Jacek Cianciara (608) 266-8133	Authorized Signature Paul Ziegler (608) 266-5773
Date 3/22/2007	

Fiscal Estimate Narratives

DOR 3/26/2007

LRB Number	07-0064/1	Introduction Number	AB-0112	Estimate Type	Original
Description Exempting school districts from the motor vehicle fuel tax					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, an excise tax is imposed on gasoline and diesel fuel sold in the state. This bill creates an excise tax exemption on gasoline or diesel fuel sold to and used by school districts in Wisconsin to transport students to and from school activities and gasoline and diesel fuel sold to persons who transport students to and from school activities, pursuant to a contract with a school district.

The motor fuel tax in Wisconsin is currently 30.9 cents per gallon. 2005 Wisconsin Act 85 eliminated indexing of the motor fuel tax. The last indexing adjustment occurred on April 1, 2006.

Based on the information provided by the Department of Public Instruction, in 2005 school districts spent \$15.9 million on motor fuel, which is equivalent to the consumption of 6.63 million gallons of fuel, based on an average price of fuel of \$2.50 per gallon. Based on statewide growth in fuel consumption, as estimated by DOT, fuel consumption by school districts in Wisconsin is expected to increase by 1.11% in FY07, -0.25% in FY08, and 1.15% in FY09. Given the fuel tax rate at 30.9 cents per gallon and assuming an average price of motor fuel of \$2.50 per gallon, the estimated tax revenue loss amounts to \$1.99 million in FY08 and \$2.02 million in FY09.

These motor fuel tax revenue loss numbers include fuel purchased directly by school districts in Wisconsin. Other users of fuel which would qualify for exemption are persons who transport students to and from school activities pursuant to a contract with a school district. The fuel expense data for this group is not available.

The Department estimates that it would incur one time supplies and service costs of \$55,000 (comprised of \$2,500 for a notification letter and \$52,500 for programming changes.) The bill does not provide funding for these costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description Exempting school districts from the motor vehicle fuel tax			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The Department of Revenue would incur one-time costs of \$55,000 for a notification letter and programming changes.			
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, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-1,990,000
TOTAL State Revenues	\$		\$-1,990,000
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-1,990,000	\$
Agency/Prepared By		Authorized Signature	Date
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