



## Fiscal Estimate Narratives

DOR 1/30/2012

LRB Number	11-3632/1	Introduction Number	AB-0453	Estimate Type	Original
<b>Description</b> Registration and operation of all-terrain vehicles and utility terrain vehicles, granting rule-making authority, and making					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Natural Resources (DNR) registers and regulates the use of all-terrain vehicles (ATVs). In addition, DNR administers the Utility Terrain Vehicle (UTV) pilot program which expires on June 30, 2012. This bill eliminates the UTV pilot program and establishes permanent regulations for UTVs by making the majority of ATV laws applicable to UTVs.

The tax related provisions of the bill include the following:

#### Sales and Use Tax

The bill modifies the sales tax subchapter to provide ATVs and UTVs with similar sales tax treatment.

Under the bill, UTVs would be classified as registered vehicles, requiring the payment of sales and use taxes at the time of registration of new and used vehicles. Since UTVs are considered tangible personal property and are typically subject to the sales and use tax under current law, these provisions generally have no fiscal effect. The bill, however, includes UTVs in the list of licensed vehicles (such as ATVs) upon which an occasional sale between non-related individuals is subject to, rather than exempt from, the sales tax.

As of 2009, there were 277,279 registered ATVs in Wisconsin. In FY 2011, the occasional sales of ATVs generated approximately \$900,000 in state sales tax revenue. Based on the Department of Natural Resource's estimate of 2,000 annual UTVs registrations, the increase in state and local sales tax collections under the bill from the occasional sale of UTVs is expected to be minimal.

#### Property Tax

Under current law, trail groomers owned by a certain tax-exempt snowmobile or ATV clubs are exempt from property taxes. The bill expands this exemption to include trail groomers owned by certain tax-exempt utility terrain vehicle clubs. This provision is expected to have a minimal fiscal effect.

#### Motor Fuel Tax

The bill specifies that motor fuel placed into UTVs is subject to the motor fuel tax (parallel to the current law treatment of ATVs not registered for private use). This provision has no significant fiscal effect.

Department of Revenue's administrative costs under this bill can be absorbed within existing budget authority.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> Registration and operation of all-terrain vehicles and utility terrain vehicles, granting rule-making authority, and making			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$see text		\$see text
<b>Agency/Prepared By</b>			
DOR/ Jacek Cianciara (608) 266-8133		<b>Authorized Signature</b>	
		Paul Ziegler (608) 266-5773	
			<b>Date</b>
			1/30/2012