2015 DRAFTING REQUEST

Bill				
Received:	11/11/2015		Received By:	jkreye
For:	Jon Erpenbach (608) 266-6670		Same as LRB:	
May Contact:			By/Representing:	tryg
Subject: Tax, Other - fuel		Drafter:	jkreye	
			Addl. Drafters:	emueller
			Extra Copies:	
Submit via email: Requester's email: Carbon copy (CC) to:		YES Sen.Erpenbach@legis.wisconsin.gov joseph.kreye@legis.wisconsin.gov eric.mueller@legis.wisconsin.gov		
Pre Topic:				
No specific pr	re topic given			
Topic:				
Increase motor vehicle fuel tax rate to pay debt service on transportation bonding				
Instructions:				

Drafting History:

See attached

	_					
Vers.	<u>Drafted</u>	Reviewed	<u>Proofed</u>	Submitted	<u>Jacketed</u>	Required
/P1	jkreye 12/10/2015	anienaja 11/12/2015		sbasford 11/12/2015		State S&L
/1	jkreye 1/13/2016	kfollett 12/10/2015		mbarman 12/10/2015	mbarman 12/10/2015	State S&L
/2		anienaja		sbasford	sbasford	State

Vers.DraftedReviewed
1/15/2016Proofed
1/15/2016Submitted
1/15/2016Jacketed
1/15/2016Required
1/15/2016

FE Sent For:

<END>

Kreye, Joseph

From:

Mueller, Eric

Sent:

Wednesday, November 11, 2015 1:10 PM

To:

Kreye, Joseph

Subject:

FW: Bill draft request

Eric Mueller

Attorney, Legislative Reference Bureau

Phone: (608)261-7032

eric.mueller@legis.wisconsin.gov

From: Knutson, Tryg

Sent: Wednesday, November 11, 2015 12:42 PM **To:** Mueller, Eric <Eric.Mueller@legis.wisconsin.gov>

Subject: Bill draft request

Hi Eric -

After JFC last week - Senator Erpenbach would like to draft a bill to increase the Gas Tax by 5 cents per gallon.

He would like a portion of the increase to alleviate the amount of debt service we took on with JFC action last Weds. – at least the \$12+ million that is coming out of GPR....

Please let me know if you have any questions.

Would appreciate a p:draft at this point.

Thanks.

Tryg Knutson

Sen. Erpenbach's Office



State of Misconsin 2015 - 2016 LEGISLATURE

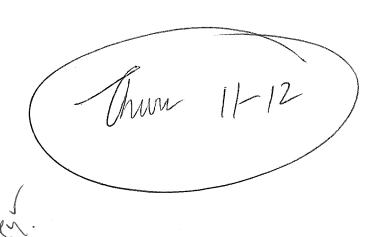
LRB-3846/P1 JK&EVM:...

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SP VICE

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AN ACT ...; relating to: increasing the motor vehicle fuel tax rate to pay debt

2 service on transportation bonding.

Analysis by the Legislative Reference Bureau

This bill increases the motor vehicle fuel tax rate by five cents per gallon and uses the additional tax revenue from that increase to make payments on the debt service on contingent funding of major highway and rehabilitation projects.

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

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

- **Section 1.** 25.40 (1) (b) of the statutes is amended to read:
- 4 ×25.40 (1) (b) Motor vehicle fuel and general aviation fuel taxes and other
- 5 revenues collected under ch. 78 minus the costs of collecting delinquent taxes under
- 6 s. 73.03 (28) and except as provided under s. 78.019.

History: 1971 c. 125, 211; 1973 c. 90, 333; 1975 c. 39; 1975 c. 163 s. 16; 1975 c. 199; 1977 c. 29, 274, 418, 447; 1979 c. 34; 1979 c. 361 s. 113; 1981 c. 20; 1981 c. 347 s. 80 (2), (4); 1983 a. 27, 538; 1985 a. 16 s. 15; 1985 a. 29 ss. 638p, 3202 (51); 1985 a. 120 ss. 66, 3202 (56); 1985 a. 332; 1987 a. 3, 27, 110, 399, 403; 1989 a. 31, 102, 105, 359; 1991 a. 39, 104, 189, 269, 309, 315; 1993 a. 16, 123, 205, 253, 415, 437, 491; 1995 a. 27, 113, 201, 269, 280, 445; 1997 a. 27, 35, 41, 135, 237, 255; 1999 a. 9, 32, 92, 167; 2001 a. 16; 2003 a. 33, 319; 2005 a. 25, 45, 85, 179, 199, 260, 319; 2007 a. 42, 97, 107; 2009 a. 28, 100, 135, 224, 226; 2011 a. 32, 208; 2011 a. 260 s. 80; 2013 a. 20, 188, 266, 363; s. 13.92 (1) (bm) 2.

SECTION 2. 78.01 (1) of the statutes is amended to read:

×78.01 (1) Imposition of tax and by whom paid. An excise tax at the rate determined under ss. 78.015 and, 78.017, and 78.018 is imposed on all motor vehicle fuel received by a supplier for sale in this state, for sale for export to this state or for export to this state except as otherwise provided in this chapter. The motor vehicle fuel tax is to be computed and paid as provided in this chapter. Except as otherwise provided in this chapter, a person who receives motor vehicle fuel under s. 78.07 shall collect from the purchaser of the motor vehicle fuel that is received, and the purchaser shall pay to the person who receives the motor vehicle fuel under s. 78.07, the tax imposed by this section on each sale of motor vehicle fuel at the time of the sale, irrespective of whether the sale is for cash or on credit. In each subsequent sale or distribution of motor vehicle fuel on which the tax has been collected as provided in this subsection, the tax collected shall be added to the selling price so that the tax is paid ultimately by the user of the motor vehicle fuel.

History: 1979 c. 221; 1981 c. 20; 1983 a. 27; 1985 a. 183; 1987 a. 27; 1987 a. 312 s. 17; 1987 a. 399; 1989 a. 31; 1991 a. 39, 316; 1993 a. 16, 437; 1995 a. 113; 1997 a. 27, 237; 2009 a. 401; 2011 a. 208; 2013 a. 204.

SECTION 3. 78.018 of the statutes is created to read:

78.018 Adjustment in 2016. On April 1, 2016, the rate of the tax imposed under s. 78.01 (1) is increased by 5 cents.

SECTION 4. 78.019 of the statutes is created to read:

 \times **78.019 Debt service payments.** Beginning on April 1, 2016, the amount of the taxes imposed under s. 78.01 (1) equal to 5 cents per gallon shall be credited to the appropriation account under s. 20.395 (6) (ae).

SECTION 5. 78.12 (4) (a) 4. of the statutes is amended to read:

1	× 78.12 (4) (a) 4. Multiply the number of gallons under subd. 3. by the rate
2	published under s. 78.015 as increased under s. ss. 78.017 and 78.018.
3	History: 1973 c. 333; 1975 c. 180, 421; 1977 c. 418; 1979 c. 221; 1985 a. 153; 1987 a. 399; 1991 a. 39, 316; 1993 a. 16, 437; 1997 a. 27; 2005 a. 85. SECTION 6. 78.12 (4) (b) 2. of the statutes is amended to read:
4	\times 78.12 (4) (b) 2. Multiply the number of gallons under subd. 1. by the rate
5	published under s. 78.015 as increased under s. ss. 78.017 and 78.018 .
6	History: 1973 c. 333; 1975 c. 180, 421; 1977 c. 418; 1979 c. 221; 1985 a. 153; 1987 a. 399; 1991 a. 39, 316; 1993 a. 16, 437; 1997 a. 27; 2005 a. 85. (END)

Kreye, Joseph

From:

Knutson, Tryg

Sent:

Thursday, December 10, 2015 10:31 AM

To:

Kreye, Joseph

Subject:

FW: Draft review: LRB -3846/P1

Attachments:

15-3846/P1.pdf

Hi-

We're ready to introduce this as written.

Thanks.

Tryg Knutson

Sen. Erpenbach's Office

From: LRB.Legal

Sent: Thursday, November 12, 2015 10:32 AM

To: Sen.Erpenbach < Sen.Erpenbach@legis.wisconsin.gov>

Subject: Draft review: LRB -3846/P1

Following is the PDF version of draft LRB -3846/P1.



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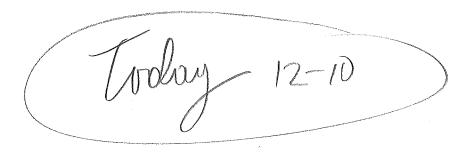
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State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3846/P1 JK&EVM:amn

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION



AN ACT to amend 25.40 (1) (b), 78.01 (1), 78.12 (4) (a) 4. and 78.12 (4) (b) 2.; and to create 78.018 and 78.019 of the statutes; relating to: increasing the motor

vehicle fuel tax rate to pay debt service on transportation bonding.

Analysis by the Legislative Reference Bureau

This bill increases the motor vehicle fuel tax rate by five cents per gallon and uses the additional tax revenue from that increase to make payments on the debt service on contingent funding of major highway and rehabilitation projects.

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

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

- **Section 1.** 25.40 (1) (b) of the statutes is amended to read:
- 25.40 (1) (b) Motor vehicle fuel and general aviation fuel taxes and other revenues collected under ch. 78 minus the costs of collecting delinquent taxes under
- 7 s. 73.03 (28) <u>and except as provided under s. 78.019</u>.
 - **Section 2.** 78.01 (1) of the statutes is amended to read:

78.01 (1) Imposition of tax and by whom paid. An excise tax at the rate
determined under ss. 78.015 and, 78.017, and 78.018 is imposed on all motor vehicle
fuel received by a supplier for sale in this state, for sale for export to this state or for
export to this state except as otherwise provided in this chapter. The motor vehicle
fuel tax is to be computed and paid as provided in this chapter. Except as otherwise
provided in this chapter, a person who receives motor vehicle fuel under s. 78.07 shall
collect from the purchaser of the motor vehicle fuel that is received, and the
purchaser shall pay to the person who receives the motor vehicle fuel under s. 78.07,
the tax imposed by this section on each sale of motor vehicle fuel at the time of the
sale, irrespective of whether the sale is for cash or on credit. In each subsequent sale
or distribution of motor vehicle fuel on which the tax has been collected as provided
in this subsection, the tax collected shall be added to the selling price so that the tax
is paid ultimately by the user of the motor vehicle fuel.

Section 3. 78.018 of the statutes is created to read:

78.018 Adjustment in 2016. On April 1, 2016, the rate of the tax imposed under s. 78.01 (1) is increased by 5 cents.

Section 4. 78.019 of the statutes is created to read:

78.019 Debt service payments. Beginning on April 1, 2016, the amount of the taxes imposed under s. 78.01 (1) equal to 5 cents per gallon shall be credited to the appropriation account under s. 20.395 (6) (ae).

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Section 6. 78.12 (4) (b) 2. of the statutes is amended to read:

1	78.12 (4) (b) 2. Multiply the number of gallons under subd. 1. by the rate
2	published under s. 78.015 as increased under s. $\underline{ss.}$ 78.017 \underline{and} 78.018 .

(END)

Basford, Sarah

From: Sent:

Knutson, Tryg Thursday, December 10, 2015 12:05 PM LRB.Legal Draft Review: LRB -3846/1

To:

Subject:

Please Jacket LRB -3846/1 for the SENATE.

Kreye, Joseph

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Knutson, Tryg

Sent:

Tuesday, January 12, 2016 4:30 PM

To:

Kreye, Joseph Laundrie, Julie

Cc: Subject:

RE: Draft review: LRB -3846/P1

Hi Joe -

My boss is looking for another version of 3846 – this time including re-establishing gas tax indexing every April as we used to have. Can make the indexing begin the 1st April after publication of the bill.

I will be out of the office the next few days – if you could make sure Julie Laundrie knows when the draft is available – would be much appreciated. Copied her here.

Thanks.

Tryg

From: Kreye, Joseph

Sent: Thursday, December 10, 2015 10:32 AM

To: Knutson, Tryg < Tryg. Knutson@legis.wisconsin.gov>

Subject: RE: Draft review: LRB -3846/P1

Got it.

Joseph T. Kreye

Legal Services Manager Legislative Reference Bureau 608 266-2263

From: Knutson, Tryg

Sent: Thursday, December 10, 2015 10:31 AM

To: Kreye, Joseph < Joseph. Kreye@legis.wisconsin.gov >

Subject: FW: Draft review: LRB -3846/P1

Hi-

We're ready to introduce this as written.

Thanks.

Tryg Knutson

Sen. Erpenbach's Office

From: LRB.Legal

Sent: Thursday, November 12, 2015 10:32 AM

To: Sen.Erpenbach < <u>Sen.Erpenbach@legis.wisconsin.gov</u>>

Subject: Draft review: LRB -3846/P1

Following is the PDF version of draft LRB -3846/P1.



State of Misconsin 2015 - 2016 LEGISLATURE

LRB-3846/1 JK&EVM:amn

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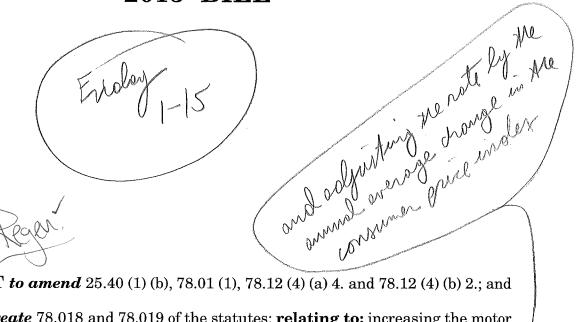
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2015 BILL



AN ACT to amend 25.40 (1) (b), 78.01 (1), 78.12 (4) (a) 4. and 78.12 (4) (b) 2.; and

to create 78.018 and 78.019 of the statutes; relating to: increasing the motor

vehicle fuel tax rate to pay debt service on transportation bonding

Analysis by the Legislative Reference Bureau

This bill increases the motor vehicle fuel tax rate by five cents per gallon and uses the additional tax revenue from that increase to make payments on the debt service on contingent funding of major highway and rehabilitation projects.

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

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

- **Section 1.** 25.40 (1) (b) of the statutes is amended to read:
- 5 25.40 (1) (b) Motor vehicle fuel and general aviation fuel taxes and other 6 revenues collected under ch. 78 minus the costs of collecting delinquent taxes under
- 7 s. 73.03 (28) and except as provided under s. 78.019.
 - **Section 2.** 78.01 (1) of the statutes is amended to read:

78.01 (1) Imposition of tax and by whom paid. An excise tax at the rate

BILL

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determined under ss. 78.015 and, 78.017, and 78.018 is imposed on all motor vehicle fuel received by a supplier for sale in this state, for sale for export to this state or for export to this state except as otherwise provided in this chapter. The motor vehicle fuel tax is to be computed and paid as provided in this chapter. Except as otherwise provided in this chapter, a person who receives motor vehicle fuel under s. 78.07 shall collect from the purchaser of the motor vehicle fuel that is received, and the purchaser shall pay to the person who receives the motor vehicle fuel under s. 78.07, the tax imposed by this section on each sale of motor vehicle fuel at the time of the sale, irrespective of whether the sale is for cash or on credit. In each subsequent sale or distribution of motor vehicle fuel on which the tax has been collected as provided in this subsection, the tax collected shall be added to the selling price so that the tax is paid ultimately by the user of the motor vehicle fuel.

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Section 3. 78.018 of the statutes is created to read:

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78.018 Adjustment in 2016. On April 1, 2016, the rate of the tax imposed under s. 78.01 (1) is increased by 5 cents.

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Section 4. 78.019 of the statutes is created to read:

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78.019 Debt service payments. Beginning on April 1, 2016, the amount of the taxes imposed under s. 78.01 (1) equal to 5 cents per gallon shall be credited to the appropriation account under s. 20.395 (6) (ae).

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SECTION 5. 78.12 (4) (a) 4. of the statutes is amended to read:

22

78.12 (4) (a) 4. Multiply the number of gallons under subd. 3. by the rate published under s. 78.015 as increased under s. 58.017 and 78.018.

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SECTION 6. 78.12 (4) (b) 2. of the statutes is amended to read:

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BILL

78.12 (4) (b) 2. Multiply the number of gallons under subd. 1. by the rate published under s. 78.015 as increased under s. 58. 78.017 and 78.018.

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(END)

SAY

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2015-2016 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3846/2ins JK&EVM:amn

Insert A

The bill also requires the Department of Revenue to annually adjust the rate to reflect changes in the consumer price index.

Insert 2 – 13

Section 1. 78.015 (1) of the statutes is amended to read:

* 78.015 (1) Before April 1 of each year, beginning in 2016, the department shall recompute and publish the rate for the tax imposed under s. 78.01 (1). The new rate per gallon shall be calculated by multiplying the rate in effect at the time of the calculation by the amount obtained under sub. (2). After the calculation of the rate that takes effect on April 1, 2006, the department shall make no further calculation under this subsection and sub. (2).

History: 1983 a. 27; 1991 a. 39; 1993 a. 16, 437; 1997 a. 27; 2005 a. 85.