AN ACT to repeal 78.015 (5) and 78.017; to amend 78.01 (1), 78.015 (1), 78.12 (4) (a) 4. and 78.12 (4) (b) 2.; and to create 78.015 (5m) of the statutes; relating to: an annual adjustment of the motor vehicle fuel tax rate.

Analysis by the Legislative Reference Bureau

This bill annually increases the rate of the motor vehicle fuel tax, beginning with the tax imposed on May 1, 2017, to reflect the annual average change in the United States consumer price index. The annual increase, however, only takes effect if it is approved by the Joint Committee on Finance by March 31 of each year or if the committee takes no action regarding the rate increase before April 1 of each year.

For further information see the state 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. 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 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 2. 78.015 (1) of the statutes is amended to read:

78.015 (1) Before April 1 Subject to sub. (5m), no later than May 1 of each year beginning in 2017, 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).

SECTION 3. 78.015 (5) of the statutes is repealed.

SECTION 4. 78.015 (5m) of the statutes is created to read:

78.015 (5m) No later than March 1 of each year, beginning in 2017, before publishing the rate calculated under this section, the department shall submit the recalculated rate to the joint committee on finance. If the joint committee on finance schedules a meeting to review the proposed rate and approves the rate no later than March 31, or takes no action before April 1, the rate calculated under this section is effective on May 1 following the calculation.
SECTION 5. 78.017 of the statutes is repealed.

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

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. 78.017.

SECTION 7. 78.12 (4) (b) 2. of the statutes is amended to read:

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. 78.017.

(END)