

2019 DRAFTING REQUEST**Assembly Amendment (AA-AB56)**

For: **Legislative Fiscal Bureau** Drafter: **jkreye**
 By: **Horton** Secondary Drafters:
 Date: **6/7/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email:
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**
ryan.horton@legis.wisconsin.gov
al.runde@legis.wisconsin.gov

Pre Topic:

LFB:.....Horton -

Topic:

Eliminate licensed motor vehicle fuel suppliers administrative allowance

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 6/10/2019	kfollett 6/7/2019	lparisi 6/7/2019		
/P2	jkreye 6/10/2019	kfollett 6/10/2019	mbarman 6/10/2019		
/P3			mbarman 6/10/2019		

FE Sent For:

<END>

months of revenue and by \$6,675,100 SEG-REV in 2020-21.

Evm 5. *Deposit Revenue from One-Cent of Petroleum Inspection Fee to Transportation Fund.* Deposit the revenue from one-cent of the two-cent petroleum inspection fee to the transportation fund in each year, effective on July 1, 2020. Make the following modifications to the amount of estimated petroleum inspection fee revenue provided to the transportation fund: (a) a decrease of \$884,900 in 2019-20, as reestimated under current law; and (b) an increase of \$3,175,000 SEG-REV, as reestimated and affected by this item.

~~2011~~ 6. *Eliminate Licensed Motor Vehicle Fuel Suppliers Administrative Allowance.* (LFB Paper #695). Effective October 1, 2019, eliminate the 1.35% administrative allowance that licensed motor vehicle fuel suppliers may deduct when remitting the fuel tax on gasoline. Increase estimated transportation fund revenue by \$8,400,000 SEG-REV in 2019-20 and by \$11,300,000 SEG-REV in 2020-21. *and 1.25 transfer whole/supplier*

~~2011~~ 7. *Eliminate Retailer Refunds for Evaporation.* (LFB Paper #695). Effective October 1, 2019, eliminate the 0.5% retailer's refund for the motor vehicle fuel tax paid on gasoline received into a service station operator's storage facilities to cover shrinkage and evaporation losses. Increase estimated transportation fund revenue by \$3,100,000 SEG-REV in 2019-20 and by \$4,200,000 SEG-REV in 2020-21.

Evm 8. *Mileage-Based Fee Study.* Provide the Department \$2,500,000 SEG in 2019-20 to do the following: (a) enter into a contract not to exceed \$2,500,000 for a mileage-based fee study that would outline the policies, procedures, and operations needed to implement such fees; and (b) a traffic and revenue analysis associated with such fees. Require the firm under contract for this study to report its findings to DOT and each house of the Legislature by December 1, 2022. Require DOT to submit a recommendation on an implementation plan for a mileage-based fee to the Joint Committee on Finance by January 1, 2023, and require the Committee to approve, modify, or deny the implementation of a mileage-based fee. Specify that if the Committee approves a mileage-based fee structure, there would be created within DOT a Division of Innovative Transportation Finance Systems, which would report directly to the DOT Secretary. Specify that this Division would administer any mileage-based fee structure approved by the Committee.

9. *Reestimated Debt Service -- Existing Bonds for Transportation Purposes.* [LFB Summary, Pages 412 and 413, #14, #15, #16, #17, and #18]

a. *Revenue Bond Debt Service (SEG-REV).* Decrease estimated transportation fund revenue by \$10,798,700 SEG-REV in 2019-20 and \$20,319,100 SEG-REV in 2020-21 to reflect increases in the amount of vehicle registration and other pledged revenue needed to pay principal and interest on transportation revenue bonds.

b. *General Obligation Bonds (SEG).* Increase estimated transportation fund-supported, general obligation bond debt service by \$3,445,400 SEG in 2019-20 and \$8,795,900 SEG in 2020-21.

c. *General Obligation Bonds (GPR).* Increase estimated general fund-supported, general obligation bond debt service by \$8,144,200 GPR in 2019-20 and \$8,279,200 GPR in 2020-21.



LFB:.....Horton - Eliminate licensed motor vehicle fuel suppliers administrative allowance

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION
ASSEMBLY AMENDMENT,
TO ASSEMBLY BILL 56**

in Fin. 6-7

1 At the locations indicated, amend the bill as follows:
2 **1.** Page 669, line 15: delete lines 15 to 20 and substitute:
3 **"SECTION 1066d.** 78.12 (4) (intro) of the statutes is amended to read:
4 **78.12 (4) COMPUTATION OF TAX.** (intro.) At the time when the tax on diesel fuel
5 is due under sub. (5), the licensee shall compute that tax as follows:

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.

Cross-reference: See also ss. Tax 4.51, 4.52, and 4.75, Wis. adm. code.

6 **SECTION 1066e.** 78.12 (4) (a) of the statutes is repealed.
7 **SECTION 1067d.** 78.12 (4) (b) (intro.) of the statutes is repealed.
8 **SECTION 1067e.** 78.12 (4) (b) 1. of the statutes is renumbered 78.12 (4) (bc).
9 **SECTION 1067f.** 78.12 (4) (b) 2. of the statutes is renumbered 78.12 (4) (bd) and
10 amended to read:



State of Wisconsin
2019 - 2020 LEGISLATURE

LRBb0319/P1
JK:kjf

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in Monday 6-10

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6 **SECTION 1066e.** 78.12 (4) (a) of the statutes is repealed. *2.*

7 **SECTION 1067d.** 78.12 (4) (b) (intro.) of the statutes is repealed.

8 **SECTION 1067e.** 78.12 (4) (b) 1. of the statutes is renumbered 78.12 (4) (bc).

9 **SECTION 1067f.** 78.12 (4) (b) 2. of the statutes is renumbered 78.12 (4) (bd) and
10 amended to read:

Insert 2-2

1 78.12 (4) (bd) Multiply the number of gallons under subd. 1. par. (bc) by the rate
2 published under s. 78.015 as increased under s. 78.017.

3 SECTION 1067h. 78.12 (5) of the statutes is amended to read:

4 78.12 (5) PAYMENT OF TAX. Licensed suppliers shall pay taxes on motor vehicle
5 fuel no later than the 15th day of the month for motor vehicle fuel sold during the
6 previous month. At the option of a wholesaler distributor, a licensed supplier shall
7 allow the wholesaler distributor to delay paying the tax to the licensed supplier until
8 the date that the tax is due to this state. A wholesaler distributor who makes delayed
9 payments shall make the payments by electronic funds transfer. If a wholesaler
10 distributor fails to make timely payments, the licensed supplier may terminate the
11 right of the wholesaler distributor to make delayed payments. Each licensed
12 supplier shall notify the department of each wholesaler distributor who makes
13 delayed payments of the tax. The department may require any wholesaler
14 distributor who makes delayed payments of the tax to furnish the department a
15 surety bond payable to this state in an amount not to exceed 3 times the highest
16 estimated monthly tax owed by the wholesaler distributor. ~~Whenever the wholesaler~~
17 ~~distributor pays the licensed supplier, the licensed supplier shall credit the~~
18 ~~wholesaler distributor's account for the amount of tax reduction that results from the~~
19 ~~calculation under s. 78.12 (4) (a) 2."~~

20 2. Page 1145, line 11: after that line insert:

21 "(5f) FUEL SUPPLIERS ADMINISTRATIVE ALLOWANCE. The treatment of ss. 78.12 (4)
22 (intro.), (a) and (b) (intro), 1., and 2, and 78.12 (5) takes effect on October 1, 2019."

23 (END)

2, 3, and 4

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0319/P2ins
JK:kjf

Insert 2 - 2

1 **SECTION 1066f.** 78.12 (4) (a) 3. of the statutes^f is repealed.

2 **SECTION 1066g.** 78.12 (4) (a) 4. of the statutes is amended to read:

3 78.12 (4) (a) 4. Multiply the number of gallons under subd. ~~3.2.~~^{2.} by the rate

4 published under s. 78.015 as increased under s. 78.017.

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.

Cross-reference: See also ss. Tax 4.51, 4.52, and 4.75, Wis. adm. code.

Kreye, Joseph

From: Horton, Ryan
Sent: Monday, June 10, 2019 2:28 PM
To: Kreye, Joseph
Subject: RE: Draft review: LRB b0319/P2

Hi Joe,

Could I get a P3 on this one - On line 6, the "2." should be changed to "1."

Thanks much - Ryan

From: LRB.Legal <lrblegal@legis.wisconsin.gov>
Sent: Monday, June 10, 2019 1:21 PM
To: Horton, Ryan <Ryan.Horton@legis.wisconsin.gov>
Subject: Draft review: LRB b0319/P2

Draft Requester: Legislative Fiscal Bureau

Following is the PDF version of draft LRB b0319/P2.



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16 (a) 2., 3., and 4. and 78.12 (5) takes effect on October 1, 2019.”

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State of Wisconsin
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