

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

|                                    |   |
|------------------------------------|---|
| <b>LRB Number</b> <b>21-2272/1</b> | <b>Introduction Number</b> <b>AB-0200</b> |
|------------------------------------|---|

**Description**  
 depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund

**Fiscal Effect**

**State:**

|   |  |   |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect           | <input checked="" type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Indeterminate                    | <input type="checkbox"/> Decrease Existing Revenues            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                   |
| <input type="checkbox"/> Increase Existing Appropriations |  | <input type="checkbox"/> Decrease Costs   |
| <input type="checkbox"/> Decrease Existing Appropriations |  |   |
| <input type="checkbox"/> Create New Appropriations        |  |   |

**Local:**

|  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> No Local Government Costs          | <b>5. Types of Local Government Units Affected</b>                     |   |
| <input type="checkbox"/> Indeterminate                                 |  |   |
| 1. <input type="checkbox"/> Increase Costs                             | 3. <input type="checkbox"/> Increase Revenue                           | <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Counties <input type="checkbox"/> Others                               |
| 2. <input type="checkbox"/> Decrease Costs                             | 4. <input type="checkbox"/> Decrease Revenue                           | <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts               |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |   |

|  |                                       |
|--|---------------------------------------|
| <b>Fund Sources Affected</b>   | <b>Affected Ch. 20 Appropriations</b> |
| <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS | Transportation Fund                   |

|  |   |                          |
|--|---|--------------------------|
| <b>Agency/Prepared By</b><br>DOR/ Travis Arthur (608) 266-8565 | <b>Authorized Signature</b><br>Jamie Adams (608) 266-6785 | <b>Date</b><br>3/26/2021 |
|--|---|--------------------------|

## Fiscal Estimate Narratives

DOR 3/26/2021

|  |                  |                     |                |               |                 |
|--|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number   | <b>21-2272/1</b> | Introduction Number | <b>AB-0200</b> | Estimate Type | <b>Original</b> |
| <b>Description</b><br>depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund |                  |                     |                |               |                 |

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Revenue to deposit into the transportation fund a percentage of the sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services beginning with the taxes collected on July 1, 2021.

Using department data for NAICS codes 4411, 4412, 4413, 5321 and 811111, along with data provided by the Department of Transportation, sales and use tax collections for FY22 are estimated to be \$976 million.

Under the bill, 10% of the sales and use tax collections will be transferred to the transportation fund for taxes imposed in FY22. The department estimates \$97.6 million will be deposited into the transportation fund in the first year. For taxes imposed in FY23, the transferred amount increases to 15%. For illustrative purposes, assuming 4% growth, the department estimates \$152.3 million will be deposited into the transportation fund.

To the extent businesses within the noted NAICS codes have sales outside of motor vehicles and motor vehicle parts, accessories, and services, the estimated transfer amount would be overstated; however the department expects this to be a minor amount.

### Long-Range Fiscal Implications