



## Fiscal Estimate Narratives

DOT 4/12/2021

LRB Number	21-2272/1	Introduction Number	AB-0200	Estimate Type	Original
<b>Description</b> 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 would require the Department of Revenue (DOR) to deposit a percentage of motor vehicle related sales tax revenue collected under ss. 77.52 and 77.53 starting July 1, 2021 (FY 2022) into the transportation fund. These taxes relate to the sales of motor vehicles and motor vehicle parts, accessories, and services.

DOR data for NAICS codes 4411, 4412, 4413, 5321, and 811111 and data from the Department of Transportation indicate that the State of Wisconsin should collect approximately \$976 million from relevant sales and use taxes in FY2022. This bill would transfer 10 percent of that total, or \$97.6 million, to the transportation fund from the general fund in FY2022.

### Long-Range Fiscal Implications

The bill sets the rate of transfer to increase in each subsequent fiscal year through FY2036, at which point 50 percent of relevant sales and use tax revenue would transfer to the transportation fund. In FY2023, the transportation fund would be set to receive 15 percent of relevant tax revenue. Assuming a 4 percent growth rate, this transfer should total approximately \$152.3 million in FY2023. In FY2036, we estimate that \$845.1 million in relevant tax revenue would transfer to the transportation fund, assuming steady sales growth and unadjusted for inflation.

## Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund		
<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	97,600,000	
<b>TOTAL State Revenues</b>	<b>\$97,600,000</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$97,600,000	\$
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DOT/ Sarah Osborn (608) 266-5310	Joan Meier (608) 267-6978	4/12/2021

