

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-0128/1	Introduction Number SB-217
------------------------------------	--

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		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <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	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<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

Agency/Prepared By	Authorized Signature	Date
DOR/ Travis Arthur (608) 266-8565	Ann DeGarmo (608) 266-7179	3/23/2021

Fiscal Estimate Narratives

DOR 3/23/2021

LRB Number	21-0128/1	Introduction Number	SB-217	Estimate Type	Original
Description 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