

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-3919/1</b>	<b>Introduction Number</b> <b>AB-0395</b>
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**Description**  
 requirements for and insurance related to peer-to-peer motor vehicle sharing programs

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<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 type="checkbox"/> No Local Government Costs	<b>5. Types of Local Government Units Affected</b>	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Expo District</u>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase 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	
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

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

<b>Agency/Prepared By</b> DOR/ Travis Arthur (608) 266-8565	<b>Authorized Signature</b> Robert Schmidt (608) 266-5773	<b>Date</b> 9/7/2023
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Fiscal Estimate Narratives

DOR 9/7/2023

LRB Number	23-3919/1	Introduction Number	AB-0395	Estimate Type	Original
<b>Description</b> requirements for and insurance related to peer-to-peer motor vehicle sharing programs					

**Assumptions Used in Arriving at Fiscal Estimate**

The bill provides that if the sharing programs and shared vehicle owners paid sales and use tax on the shared vehicle, they are not liable to pay the local rental car tax or state rental car fee.

Based on department data, the taxable sales of Peer-to-Peer (P2P) share of NAICS code 532111-Passenger Car Rental is about 2.0%. State rental vehicle fee revenues (SEG) totaled about \$12.0 million in FY 23. The department estimates forgone rental vehicle fee revenue of \$239,000 ( $\$12.0 \text{ million} * 2.0\%$ ) on an annual basis under the bill.

Local rental car tax collections totaled \$3.2 million in FY 23. The department estimates forgone local rental car tax collections of about \$76,000 ( $\$3.2 \text{ million} * 2.0\%$ ) on an annual basis.

The actual decrease in state rental vehicle fee revenue and local rental car tax collections is expected to be minimal given the compliance by affected parties under current law.

Because this bill reduces tax revenue, it may impact the state's maintenance of effort requirement under the American Rescue Plan Act. The Dept of Administration should review this bill for this specific purpose to provide further clarity on the matter.

**Long-Range Fiscal Implications**