

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-1928/1	Introduction Number AB-0088
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 type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
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 <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 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	
Fund Sources Affected Affected Ch. 20 Appropriations <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	
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Date 5/11/2023	

Fiscal Estimate Narratives

DOT 5/11/2023

LRB Number	23-1928/1	Introduction Number	AB-0088	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 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, 2023 (state fiscal year (SFY) 2024) into the transportation fund. Specifically, along with certain taxes collected by the Department of Transportation when registering motor vehicles in Wisconsin, sales taxes named in SB89 are in the following industry categories: automobile dealers, other motor vehicle dealers; automotive parts, accessories, and tire stores; automotive equipment rental and leasing; general automotive repair.

In SFY 2024 the bill requires a 10% transfer of those taxes, increasing to 15% in SFY 2025. Using SFY 2022 collections from these categories (provided by DOR) and a forecast from S&P Global, it is estimated that under the bill the transportation fund would see a deposit of \$104.5 million in SFY 2024 and \$155.9 million in SFY 2025.

Long-Range Fiscal Implications

The bill sets the rate of transfer to increase in each subsequent fiscal year through FY 2038, at which point 50 percent of relevant sales and use tax revenue would transfer to the transportation fund.