

Fiscal Estimate - 2023 Session

Original Updated Corrected Supplemental

LRB Number 23-0981/1	Introduction Number SB-0386	
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"/> Indeterminate <input 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 checked="" 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 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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Expo District</u> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<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 Affected Ch. 20 Appropriations		
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Fiscal Estimate Narratives

DOR 8/21/2023

LRB Number	23-0981/1	Introduction Number	SB-0386	Estimate Type	Original
Description 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