



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3656/1
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2005 ASSEMBLY BILL 797

October 31, 2005 - Introduced by Representatives NASS, LOTHIAN, JESKEWITZ, KREIBICH, VOS, F. LASEE, VUKMIR, LEMAHIEU, CULLEN and STRACHOTA, cosponsored by Senator LAZICH. Referred to Joint Committee on Finance.

1 **AN ACT** *to amend* 78.015 (1), 78.12 (4) (a) 4. and 78.12 (4) (b) 2.; and *to create*
2 78.018 of the statutes; **relating to:** a temporary suspension of the motor vehicle
3 fuel tax and eliminating the automatic annual increase in the motor vehicle fuel
4 tax rate.

Analysis by the Legislative Reference Bureau

Under this bill, the sale of motor vehicle fuel in this state is not subject to the tax on motor vehicle fuel for a 30-day period. The 30-day period may be extended by the governor, by executive order, for an additional 30 consecutive days. Beginning with the day after the last day of the suspension period, the sale of motor vehicle fuel is subject to taxation at the rate of five cents per gallon for the first three days that the tax is reinstated. The rate of the tax then increases by five cents per gallon on the fourth day after the tax is reinstated and on every fourth day thereafter until the rate of the tax is equal to the rate that was in effect on the effective date of the bill.

Under current law, the rate of the motor vehicle fuel tax is annually adjusted by multiplying the tax rate by the percentage change in the annual average U.S. Consumer Price Index. Under the bill, the rate of the motor vehicle fuel tax is not annually adjusted.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 78.015 (1) of the statutes is amended to read:

2 78.015 (1) ~~Before~~ Except as provided in s. 78.018, before April 1 the department
3 shall recompute and publish the rate for the tax imposed under s. 78.01 (1). The new
4 rate per gallon shall be calculated by multiplying the rate in effect at the time of the
5 calculation by the amount obtained under sub. (2). The calculation under this section
6 does not apply to the rate of the tax imposed after the suspension period under s.
7 78.018.

8 **SECTION 2.** 78.018 of the statutes is created to read:

9 **78.018 Motor vehicle fuel tax suspension.** (1) The tax imposed under s.
10 78.01 (1) does not apply to motor vehicle fuel that is sold during the 30-day period
11 beginning 14 days after the effective date of this subsection [revisor inserts date].

12 (2) The governor may, by executive order, extend the 30-day period under sub.
13 (1) by an additional 30 consecutive days.

14 (3) Beginning with the day after the last day of the suspension period under
15 subs. (1) and (2), the sale of motor vehicle fuel is subject to the tax imposed under s.
16 78.01 (1) at the rate of 5 cents per gallon for the first 3 days that the tax is reinstated
17 under this subsection. The rate of the tax imposed under s. 78.01 (1) shall increase
18 by 5 cents per gallon on the fourth day after the day on which the tax is reinstated
19 under this subsection and on every 4th day thereafter until the rate of the tax is equal
20 to the rate that was in effect on the effective date of this subsection [revisor inserts

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1 date], except that if any increase in the rate under this subsection would occur on a
2 Sunday or legal holiday, the increase shall occur on the next succeeding business day.

3 **SECTION 3.** 78.12 (4) (a) 4. of the statutes is amended to read:

4 78.12 (4) (a) 4. Multiply the number of gallons under subd. 3. by the rate under
5 s. 78.015 as increased under s. 78.017 or by the rate determined under s. 78.018, as
6 appropriate.

7 **SECTION 4.** 78.12 (4) (b) 2. of the statutes is amended to read:

8 78.12 (4) (b) 2. Multiply the number of gallons under subd. 1. by the rate under
9 s. 78.015 as increased under s. 78.017 or by the rate determined under s. 78.018, as
10 appropriate.

11 (END)