

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1608/1	Introduction Number AB-0261
Description Motor vehicle fuel pricing	
Fiscal Effect	
State:	
<input checked="" 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 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 type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input 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 type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By DOR/ Jacek Cianciara (608) 266-8133	
Authorized Signature Paul Ziegler (608) 266-5773	
Date 4/26/2007	

Fiscal Estimate Narratives

DOR 4/27/2007

LRB Number	07-1608/1	Introduction Number	AB-0261	Estimate Type	Original
Description Motor vehicle fuel pricing					

Assumptions Used in Arriving at Fiscal Estimate

An excise tax is imposed on motor vehicle fuel which is added to the selling price, so that the tax is paid ultimately by the user of the motor vehicle fuel. The motor fuel tax is currently 30.9 cents per gallon. The retail selling price of motor vehicle fuel is often quoted including a fraction of a cent in the price (typically 9/10ths of a cent).

Under the bill, advertising or selling gasoline and diesel fuel at retail is prohibited if the price includes a fraction of a cent.

Details on how the motor fuel industry sets the price of the motor vehicle fuel (including setting the price at a fraction of a cent) are unknown. However, it is likely that under the bill the industry will round every fraction of a cent to the nearest full cent. This will increase the price of fuel per gallon by a slight amount.

It is not expected, however, that the small increase in gasoline prices will result in a calculable impact on the quantity of motor fuel sold. Consequently, the bill is not expected to have a significant impact on motor fuel tax collections.

The bill is not expected to have any impact on the Department of Revenue's administrative costs.

Long-Range Fiscal Implications