

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-2650/2</b>	<b>Introduction Number</b> <b>AB-0371</b>
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**Description**  
 Creating income and franchise tax credits for certain electric motor vehicles and for motor vehicles that use gasoline and ethanol mixtures as fuel and highway specific information signs

**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"/> Indeterminate	<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriations	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Create New Appropriations		

**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	
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	

Towns       Village       Cities  
 Counties       Others  
 School Districts       WTCS Districts

<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> DOT/ Karl Kuecker (608) 266-1876	<b>Authorized Signature</b> Julie Johnson (608) 267-3703	<b>Date</b> 6/12/2007
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## Fiscal Estimate Narratives

DOT 6/12/2007

LRB Number	<b>07-2650/2</b>	Introduction Number	<b>AB-0371</b>	Estimate Type	<b>Original</b>
<b>Description</b> Creating income and franchise tax credits for certain electric motor vehicles and for motor vehicles that use gasoline and ethanol mixtures as fuel and highway specific information signs					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the DOT to create annually a list of vehicles manufactured in Wisconsin that are E85 (85% ethanol), hybrid-electric (gas/electric), neighborhood electric, or plug-in hybrid electric. It also exempts businesses that sell E85 gasoline from the administrative \$40 permit fee paid to the DOT for participating in the Specific Information Sign (SIS) program. Overall, there is only incidental cost to implement these requirements and the revenue loss to the department from permit fees is only \$800 at the present time.

The Department will identify vehicles eligible for tax credits by identifying qualified motor vehicle manufacturers in this state, and by having them certify which of their models are eligible. The Department believes there are fewer than 6 eligible automobile manufacturers in this state. The Department will approve the list, likely in consultation with the Department of Natural Resources. The process must be repeated annually until 2013. The Department believes the bill will require no more than 10 hours of staff time annually.

The SIS program provides motorists with directional information for motorist services through signs placed along state highway right-of-way. These business signs may only include the following service categories: gas, food, lodging, camping, and attractions.

The program is managed entirely by a private contractor who is responsible for marketing, selling, installation, maintenance and operations. The contractor charges each participating business an annual rental fee for each sign. From this revenue, the contractor pays the department the annual permit fee of \$40 for each sign.

Currently, there are 64 stations across Wisconsin that sell E85. Out these 64 stations only 5 businesses participate in the SIS program and, therefore, qualify for the permit fee exemption. Each one has four signs and at \$40 per sign the total amount of lost revenue for the department would be \$800 annually. In addition, the current contract with the private contractor runs through 2011 with two one year extensions. Therefore, businesses selling E85 gasoline would most likely still pay the same rental rate, including permit fees, and not realize the \$40 per sign savings.

### Long-Range Fiscal Implications

The lost revenue of \$800 annually is based upon the current number of businesses selling E85 gasoline. However, this figure would increase if the number of E85 vehicles increases and more businesses start selling E85.

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Creating income and franchise tax credits for certain electric motor vehicles and for motor vehicles that use gasoline and ethanol mixtures as fuel and highway specific information signs			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-800
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$-800</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-800	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DOT/ Karl Kuecker (608) 266-1876		Julie Johnson (608) 267-3703	6/12/2007