

Fiscal Estimate Narratives

DOR 10/26/2009

LRB Number	09-2980/1	Introduction Number	AB-0449	Estimate Type	Original
Description A sales tax exemption for fuel used for commercial fishing					

Assumptions Used in Arriving at Fiscal Estimate

Generally, under current law, fuel that is used for non-highway purposes is exempt from the motor fuel tax but instead, may be subject to the sales and use tax under certain conditions. Fuel used in a commercial fishing vessel over a 50-ton burden, however, is exempt from the sales and use tax.

The bill creates a sales and use tax exemption for fuel used in a commercial fishing vessel that is operated by a person who holds a valid commercial fishing license for the state's outlying waters issued by the Wisconsin Department of Natural Resources (DNR). The bill is effective the first day of the 2nd month beginning after publication. The state's outlying waters are defined in current law as Lake Superior, Lake Michigan, Green Bay, Sturgeon Bay, Sawyer's Harbor, and the Fox River from its mouth up to the dam at De Pere.

According to the DNR, in 2010-2011, there will be between 66 and 75 active commercial fishing licenses for the state's outlying waters. Information on the weight and fuel consumption of these commercial fishing vessels is not available. Given that fuel used in commercial fishing vessels over a 50-ton burden is already exempt from the sales tax, the bill is expected to create an unknown, but minimal reduction in state sales tax collections. The bill is also expected to reduce county and stadium tax collections by a minimal amount.

The Department of Revenue's administrative costs under the bill are minimal and would be absorbed within existing budget authority.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description A sales tax exemption for fuel used for commercial fishing			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	State		Local
NET CHANGE IN COSTS	\$		\$
NET CHANGE IN REVENUE	\$see text		\$see text
Agency/Prepared By		Authorized Signature	
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		Date	
		10/26/2009	