



**Fiscal Estimate Narratives**

**DOR 6/14/2019**

LRB Number <b>19-3344/1</b>	Introduction Number <b>SB-271</b>	Estimate Type <b>Original</b>
<b>Description</b> depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill requires the Department of Revenue to deposit into the transportation fund a percentage of the sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services beginning with the taxes collected on July 1, 2019.

Using department data for NAICS codes 4411, 4412, 4413, 5321 and 811111, along with data provided by the Department of Transportation, sales and use tax collections for FY20 are estimated to be \$902 million.

Under the bill, 10% of the sales and use tax collections will be transferred to the transportation fund in FY20. The department estimates \$90.2 million will be deposited into the transportation fund in FY20. For FY21 the transferred amount increases to 15%. For illustrative purposes, assuming 4% growth, the department estimates \$140.7 million will be deposited into the transportation fund in FY21.

To the extent businesses within the noted NAICS codes have sales outside of motor vehicles and motor vehicle parts, accessories, and services, the estimated transfer amount would be overstated; however the department expects this to be a minor amount.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
  Updated
  Corrected
  Supplemental

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<b>Description</b> depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund			
<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, ets.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (Transportation)			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Travis Arthur (608) 266-8565		Jamie Adams (608) 266-6785	
		<b>Date</b>	
		6/14/2019	