Fiscal Estimate - 2019 Session

X	Original	Upda	ted	Correct	ted	Suppleme	ental	
LRE	3 Number 19 -	3344/1		Introduction	on Number	SB-271		
Description depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund								
Fisca	al Effect							
State	No State Fiscal Effe Indeterminate Increase Existing Appropriations Decrease Existir Appropriations Create New App	g ng	Increase Exis Revenues Decrease Exi Revenues		☑Increase Cos absorb within ☑Yes ☑Decrease Co	agency's bud		
Loca	No Local Governme Indeterminate 1. Increase Cost Permissive 2. Decrease Cos	s 3. Mandatory sts 4.	☐ Increase Reve ☐ Permissive ☐ ☐ Decrease Rev ☐ Permissive ☐	Mandatory enue	5.Types of Loca Units Affected Towns Counties School Districts		Cities	
Fund	Fund Sources Affected Affected Ch. 20 Appropriations							
	GPR 🗍 FED 🔲	PRO 🔲 F	PRS 🛛 SEG	SEGS T	ransportation Fu	nd		
Age	ncy/Prepared By		Autho	rized Signat	ture		Date	
DOF	R/ Travis Arthur (608)	266-8565	Jamie	Adams (608) 266-6785		6/14/2019	

Fiscal Estimate Narratives DOR 6/14/2019

LRB Number	19-3344/1	Introduction Number	SB-271	Estimate Type	Original	
Description 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			
LRB Number	19-3344/1		Introduction Num	ber	SB-271			
Description depositing sales tax revenue from the sale of motor vehicles and motor vehicle parts, accessories, and services into the transportation fund								
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):								
II. Annualized Co	II. Annualized Costs:			Annualized Fiscal Impact on funds from:				
			Increased Costs	8	Decreased Costs			
A. State Costs by								
State Operation	s - Salaries and Fringes		\$		\$			
(FTE Position C	Changes)			<u> </u>				
State Operation	s - Other Costs							
Local Assistance	e			_				
	als or Organizations			 				
TOTAL State	e Costs by Category		\$	<u> </u>	\$			
B. State Costs by	y Source of Funds							
GPR					· · · · · · · · · · · · · · · · · · ·			
FED								
PRO/PRS								
SEG/SEG-S								
Ill. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)								
			Increased Re	v	Decreased Rev			
GPR Taxes				3	\$			
GPR Earned								
FED								
PRO/PRS				 				
SEG/SEG-S (T	ransportation)			<u> </u>				
TOTAL Stat	TOTAL State Revenues			<u> </u>	\$			
NET ANNUALIZED FISCAL IMPACT								
			<u>Stat</u>		Local			
NET CHANGE IN COSTS				<u> </u>				
NET CHANGE IN	I REVENUE			\$	\$			
Doto								
Agency/Prepared By			uthorized Signature		Date			
DOR/ Travis Arth	ur (608) 266-8565	nie Adams (608) 266-678	5	6/14/2019				