

State of Misconsin 2005 - 2006 LEGISLATURE

LRB-3586/1 JK:wlj&kjf:pg

## 2005 ASSEMBLY BILL 710

October 3, 2005 – Introduced by Representatives WOOD, F. LASEE, GUNDRUM, JESKEWITZ, KERKMAN, KESTELL, LOTHIAN, MCCORMICK, PRIDEMORE and VUKMIR, cosponsored by Senators REYNOLDS, ZIEN, GROTHMAN, LAZICH and LEIBHAM. Referred to Joint Committee on Finance.

1 AN ACT *to create* 25.40 (1) (bn) and 78.23 of the statutes; **relating to:** the annual 2 adjustment of the motor vehicle fuel tax rate and depositing motor vehicle sales 3 and use tax revenues into the transportation fund.

## Analysis by the Legislative Reference Bureau

Under current law, the rate of the motor vehicle fuel tax is annually adjusted by multiplying the tax rate by the percentage change in the annual average U.S. Consumer Price Index.

Under this bill, if the motor vehicle fuel tax is no longer annually adjusted, annually, beginning in 2007, an amount from the sales and use taxes imposed on the sale of motor vehicles and motor vehicle parts and service will be deposited into the transportation fund. That amount is equal to the difference between the amount of motor vehicle fuel taxes that would have been generated in the current fiscal year if the annual adjustment of the motor vehicle fuel tax was in effect and the amount of the motor vehicle fuel taxes actually generated in the current fiscal year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 25.40 (1) (bn) of the statutes is created to read:

## **ASSEMBLY BILL 710**

25.40 (1) (bn) From the taxes imposed under ss. 77.52 and 77.53 on the sale or 1  $\mathbf{2}$ use of motor vehicles and motor vehicle parts and service, all moneys deposited under 3 s. 78.23 (2). 4 **SECTION 2.** 78.23 of the statutes is created to read: **78.23 Deposit into the transportation fund.** (1) Beginning in 2007, on or  $\mathbf{5}$ 6 before June 30 of each year, the department of revenue, in consultation with the 7 department of transportation, shall determine all of the following: 8 (a) An estimate of the amount of the tax imposed under s. 78.01 that would have 9 been generated in the current fiscal year if the tax rate under s. 78.01 had been 10 adjusted annually through that year as provided under s. 78.015, 2003 stats. 11 (b) An estimate of the amount of the tax imposed under s. 78.01 that was 12actually generated in the current fiscal year. 13(2) Beginning in 2007, on or before June 30 of each year, the amount calculated by subtracting the amount determined under sub. (1) (b) from the amount 14determined under sub. (1) (a) shall be deposited into the transportation fund. 1516 (END)

- 2 -