

Multiple Agency Fiscal Note Summary

Bill Number: 2729 HB	Title: Motor vehicle fuel tax
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	2,525,000	0	5,506,000	0	5,464,000
Department of Licensing	0	2,714,800	0	5,420,200	0	5,384,700
Total \$	0	5,239,800	0	10,926,200	0	10,848,700

Estimated Expenditures

NONE

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Jim Albert, OFM	Phone: (360) 902-0419	Date Published: Final 1/31/2012
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 31390

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 2729 HB	Title: Motor vehicle fuel tax	Agency: 140-Department of Revenue
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2012	FY 2013	2011-13	2013-15	2015-17
Motor Vehicle Account-State 01 - Taxes 15 - Mtr Vehicle Fuel Tax		2,525,000	2,525,000	5,506,000	5,464,000
Total \$		2,525,000	2,525,000	5,506,000	5,464,000

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Jerry Long	Phone: 360-786-7306	Date: 01/27/2012
Agency Preparation:	Gerald Sayler	Phone: 360-534-1517	Date: 01/31/2012
Agency Approval:	Don Gutmann	Phone: 360-534-1510	Date: 01/31/2012
OFM Review:	Cherie Berthon	Phone: 360-902-0659	Date: 01/31/2012

Request # 2729-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This legislation will repeal the deduction allowed under the motor vehicle fuel tax for handling losses, RCW 82.36.029.

This bill has an effective date of July 1, 2012.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

REVENUE ESTIMATES

If this legislation is enacted, state revenues will increase by approximately \$2,525,000; \$5,506,000; and \$5,464,000 in the biennia ending in fiscal years 2013, 2015, and 2017; respectively.

ASSUMPTIONS

Growth rate of revenue will mirror the forecasted growth rate of motor vehicle fuel tax collections in the Fall 2011 Department of Licensing (DOL) forecast.

Eleven months of cash collection for Fiscal Year 2013 due to July 1, 2012 effective date.

DATA SOURCES

DOL Motor Vehicle Fuel Tax Database

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2012 -	\$ 0
FY 2013 -	\$ 2,525
FY 2014 -	\$ 2,769
FY 2015 -	\$ 2,737
FY 2016 -	\$ 2,734
FY 2017 -	\$ 2,730

Local Government, if applicable (cash basis, \$000): None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing

The Department of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 2729 HB	Title: Motor vehicle fuel tax	Agency: 240-Department of Licensing
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT		FY 2012	FY 2013	2011-13	2013-15	2015-17
Motor Vehicle Account-State	108-1		2,714,800	2,714,800	5,420,200	5,384,700
Total \$			2,714,800	2,714,800	5,420,200	5,384,700

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact:	Jerry Long	Phone: 360-786-7306	Date: 01/27/2012
Agency Preparation:	Sally McVaugh	Phone: (360) 902-3642	Date: 01/31/2012
Agency Approval:	Sam Knutson	Phone: (360) 902-3644	Date: 01/31/2012
OFM Review:	Jim Albert	Phone: (360) 902-0419	Date: 01/31/2012

Request # 2729 HB-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill repeals the handling loss deduction for motor vehicle fuel tax by repealing RCW 82.36.029.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 repeals RCW 82.36.029, eliminating the handling loss deduction for the motor vehicle fuel tax.

Section 2 makes this act effective July 1, 2012.

II. B – Cash Receipt Impact

Current law allows deductions for handling loss from the tax liability on the gallons of taxable motor vehicle fuel for licensed motor vehicle fuel distributors and licensed motor vehicle fuel suppliers and importers. Licensed motor vehicle fuel distributors are allowed a thirty one-hundredths of one percent (0.31%) deduction of total gallons and licensed motor vehicle fuel suppliers and importers are allowed a one-quarter of one percent (0.25%) deduction of total gallons. Elimination of the deduction for handling loss increases revenue to the Motor Vehicle Account.

The revenue impact for Fiscal Year 2013 is approximately \$2.7 million based on data from Fiscal Years 2009-2011 provided by the Department of Licensing's Prorate and Fuel Tax Program. The net gasoline tax growth rate from the November 2011 Transportation Revenue Forecast was used to calculate the change in revenue in future years. The current fuel tax rate is \$0.375 per gallon.

<u>Cash Receipts</u>	<u>FY 12</u>	<u>FY 13</u>	<u>11-13 Total</u>	<u>13-15 Total</u>	<u>15-17 Total</u>
Motor Vehicle Account	-	2,714,800	2,714,800	5,420,200	5,384,700
Total Revenue	-	2,714,800	2,714,800	5,420,200	5,384,700

II. C – Expenditures

There are no expenditures since the computer systems are not impacted.

III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None