

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: January 19, 1996

SUBJECT: **SB 2079**

This bill, if enacted, will provide for the taxation of motor vehicle fuel at the point such fuel is first sold in Tennessee, which is defined by the bill as delivery from a terminal rack. The bill also provides for refunds, credits, exemptions and fuel transportation as they relate to the change in the point of taxation. The bill is effective January 1, 1997.

The fiscal impact from enactment of this bill is estimated to be an increase in first full year state revenues of \$6,730,000. This assumes a 5% increase in revenues due to the change in the point of taxation of motor vehicle fuel. The estimated increase in state revenues for fiscal year 1996-97 is \$3,365,000 since the bill is effective for only six months during fiscal year 1996-97.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director