



"Leadership in Public School Governance"

JOHN H. ASHLEY, EXECUTIVE DIRECTOR

122 W. WASHINGTON AVENUE, MADISON, WI 53703  
PHONE: 608-257-2622 FAX: 608-257-8386

## MEMORANDUM

TO: Members, Assembly Committee on Urban and Local Affairs

FROM: Dan Rossmiller, Legislative Services Director

DATE: March 27, 2007

RE: AB 136, relating to allowing schools and local governmental units to claim refunds of the motor vehicle fuel tax and alternate fuels tax.

The Wisconsin Association of School Boards (WASB) **supports** Assembly Bill 136, relating to allowing schools and local governmental units to claim refunds of the motor vehicle fuel tax and alternate fuels tax.

Allowing school districts to claim refunds of the motor vehicle fuel tax and alternate fuels tax is a matter of common sense. School districts are statutorily required to provide pupil transportation. Districts use a mix of categorical and general equalization aids from the state, as well as local property taxes, to pay for their transportation costs, which includes the state gas tax. As a result, income, sales and property taxes are used to pay the motor vehicle fuel tax. School districts are exempt from the state sales tax and ought either to be exempt from the state motor vehicle fuel tax as well or allowed to claim refunds of the motor vehicle fuel tax.

The benefits of allowing school districts to claim a refund of motor vehicle fuel tax and alternate fuels tax will vary widely among school districts as do transportation costs, which range from \$60 to over \$1,000 per pupil in geographically large, rural districts. The amount of money saved by an individual district may not necessarily appear to be substantial considering its overall budget, but a gas tax refund would enable the board and administration to redirect funding to other programs and may be enough to save a teacher's job. Consider the following:

The Brodhead School District in southwestern Wisconsin, with a student population of 1,208 spent \$13,594 in state gas taxes last year. Had this bill been law for the 2005-06 school year, the Waukesha School District would have saved \$40,205, while the New Berlin School District would have saved \$32,498 and the Hamilton School District would have saved about \$26,584. The Port Washington-Saukville School district would have received a \$5,772 gas tax refund.

In the southeastern part of the state, the Mukwonago School district would have saved \$18,671 if the gas tax refund had been in place, while the Waterford Graded School District would have saved \$9,813 and the East Troy School District would have saved \$9,382. And in west central Wisconsin, the West Salem School District, with 1,654 students, would save about \$9,818, while the Holmen school district would have saved \$17,752.

Several other states already have motor vehicle fuel rebate/refund programs for schools, including Iowa, Ohio, Michigan, and Kansas. Wisconsin should join their ranks.

The WASB urges your support for AB 136. Thank you for your consideration.