

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6091

BILL NUMBER: SB 476

DATE PREPARED: Oct 19, 2001

BILL AMENDED:

SUBJECT: Repeal of New Tire Fee.

FISCAL ANALYST: Bernadette Bartlett

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

STATE IMPACT	FY 2002	FY 2003	FY 2004
State Revenues		(900,000)	(900,000)
State Expenditures			
Net Increase (Decrease)		(900,000)	(900,000)

Summary of Legislation: This bill repeals the \$0.25 fee imposed on the sale of each new tire that is sold at retail and each new tire mounted on a new vehicle sold at retail. The bill also makes conforming amendments.

Effective Date: July 1, 2002.

Explanation of State Expenditures: The proposal will reduce revenues available for any future waste tire clean-up expenditures that may be necessary after the balance of the fund is depleted.

Explanation of State Revenues: A fee of \$0.25 is placed on the sale of all new tires at retail and each new tire mounted on a new vehicle sold at retail. For FY 2003 and FY 2004, an estimated \$900,000 will be generated from the new tire fee. Fees are deposited into the Waste Tire Management Fund. Eliminating the fee would reduce revenue by an estimated \$900,000 per year. As of 6/30/01, the fund had a balance of \$8 M.

The tire fee is collected by and paid to the Indiana Department of State Revenue and allocated to IDEM for waste tire clean-up.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Environmental Management and the Department of Revenue.

Local Agencies Affected:

Information Sources: Erika Seydel Cheney, Director of the Office of Business and Legislative Relations, IDEM (317) 232-8598; and Tom Conley, Administrator, Department of State Revenue (317) 232-2107.