

## 2005 Regional Transit Authority Legislation - Sections 77.971-77.973 Wisconsin Statutes

### SUBCHAPTER XIII

#### REGIONAL TRANSIT AUTHORITY FEE

**77.9971 Imposition.** A regional transit authority under s.59.58 (6) may impose a fee at a rate not to exceed \$2 for each transaction in the region, as defined in s. 59.58 (6) (a) 2., on the rental, but not for rerental and not for rental as a service or repair replacement vehicle, of Type 1 automobiles, as defined in s. 340.01 (4) (a), by establishments primarily engaged in short-term rental of passenger cars without drivers, for a period of 30 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), or (9a). The fee imposed under this subchapter shall be effective on the first day of the first month that begins at least 90 days after the governing body of the regional transit authority approves the imposition of the fee and notifies the department of revenue. The governing body shall notify the department of a repeal of the fee imposed under this subchapter at least 60 days before the effective date of the repeal.

**History:** 2005 a. 25.

**77.9972 Administration. (1)** The department of revenue shall administer the fee under this subchapter and may take any action, conduct any proceeding, and impose interest and penalties.

**(2)** Sections 77.51 (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and (14) (a) to (f), (j), and (k), 77.52 (4), (6), (13), (14), and (18), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. Sections 77.72 (1) and (2) (a) and 77.73, as they apply to the taxes under subch. V, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the passenger car is rented.

**(3)** From the appropriation under s. 20.835 (4) (gh), the department of revenue shall distribute 97.45% of the fees collected under this subchapter for each regional transit authority to that authority and shall indicate to the authority the fees reported by each fee payer in the authority's jurisdiction, no later than the end of the month following the end of the calendar quarter in which the amounts were

collected. The fees distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of the fee under this subchapter shall be paid from the appropriation under s. 20.835 (4) (gh) at the rate under s. 77.60 (1) (a). Any regional transit authority that receives a report along with a payment under this subsection is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).

**(4)** Persons who are subject to the fee under this subchapter shall register with the department of revenue. Any person who is required to register; including any person authorized to act on behalf of a corporation, partnership, or other person who is required to register; who fails to do so is guilty of a misdemeanor.

**(5)** A retailer who collects a fee under this subchapter shall identify the fee as a separate item on a receipt the retailer provides to a rental customer.

**History:** 2005 a. 25.

**77.9973 Discontinuation.** Retailers and the department of revenue may not collect fees under this subchapter for any regional transit authority after the calendar quarter during which the regional transit authority ceases to exist, except that the department may collect from retailers fees that accrued before that calendar quarter and interest and penalties that relate to those fees. If fees are collected, the authority may use the revenue for any lawful purpose.

**History:** 2005 a. 25.

## **NOTES CONCERNING FUNDING OF REGIONAL TRANSIT AUTHORITY FOR KENOSHA, MILWAUKEE, AND RACINE COUNTIES**

### **Statutory Funding Source**

- The RTA enabling legislation establishes a \$2 fee on normal vehicle rentals in Kenosha, Milwaukee, and Racine Counties.
- Initial estimates of this fee indicate that it would raise perhaps as much as \$800,000 annually.
- The Department of Revenue is to administer the RTA fee. By law, the DOR is required to hold 2.55 percent of the revenues collected to cover administrative costs and transmit 97.45 percent of the revenue to the RTA on a quarterly basis by the end of the month following the end of each calendar quarter.

### **Enactment of the Motor Vehicle Revenue Fee**

- The RTA Board must approve imposition of the motor vehicle rental fee and inform the Wisconsin Department of Revenue of such an action.
- Like all RTA Board actions, at least six of the seven Board members must vote in favor of imposing the fee.
- The fee would go into effect on the first day of the first month that begins at least 90 days after the fee is approved by the RTA Board and the DOR has been notified. Consequently, if the RTA was to approve imposition of the fee at its first meeting of February 20, 2006, and reports such action shortly thereafter to the DOR, the fee would take effect on June 1, 2006, and the RTA would receive the first quarterly revenue transfer by the end of July 2006.

### **Use of RTA Revenue**

- Expenditures by the RTA must be limited to those deemed by the RTA Board to be essential to the conduct of its activities in connection with preparation of the report due to the Governor and the Legislature by November 15, 2008.

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