

Fiscal Cost of Eliminating Certain Property Taxes as of June 30, 2001

Estimate I. The fiscal cost to eliminate the tangible personal property tax on the first \$20,000 of value of personal use motor vehicles (at 100%) is estimated as follows:

FY02:	\$1,156.2 million
FY03:	\$1,170.3 million
FY04:	\$1,211.3 million
FY05:	\$1,265.5 million
FY06:	\$1,329.0 million

Estimate II. The fiscal cost to eliminate the tangible personal property tax on the full value of personal use motor vehicles (at 100% with no cap on value) is estimated as follows:

FY02:	\$1,196.3 million
FY03:	\$1,210.1 million
FY04:	\$1,253.0 million
FY05:	\$1,309.3 million
FY06:	\$1,375.3 million

Estimate III. The fiscal cost to eliminate the tangible personal property tax on the full value of all motor vehicles (at 100%, no cap on value, and including business vehicles) is estimated as follows:

FY02:	\$1,407.4 million
FY03:	\$1,423.6 million
FY04:	\$1,474.2 million
FY05:	\$1,540.4 million
FY06:	\$1,618.0 million

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Estimate IV. The fiscal cost to eliminate all property taxes is estimated as follows (in millions):

<u>First \$20,000 Value of Personal Use Vehicles</u>	<u>All Other Tangible Personal Property</u>	<u>Machinery and Tools</u>	<u>Merchants' Capital</u>	<u>Total</u>
\$1,156.2 ⁽¹⁾	\$562.3 ⁽²⁾	\$203.2 ⁽³⁾	\$12.1 ⁽³⁾	\$1,933.8

(1) This is the total cost to reimburse localities for tangible personal property taxes at 100% of the tax on the first \$20,000 of value of personal use vehicles. \$809.4 million has been included for Fiscal Year 2002 in House Bill No. 29, the 2000-2002 Appropriation Act, for reimbursement to localities.

(2) This estimate is based on Fiscal Year 2001 actual revenues. The estimate was calculated by subtracting from total tangible personal property tax revenues an estimate of the revenues from the tangible personal property tax on personal use vehicles with a value of \$20,000 or less. This estimate has not been adjusted for growth.

(3) These are actual Fiscal Year 2001 revenues that have not been adjusted for growth.