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## S.F. No. 3086 – Auto Parts Sales Tax Dedication

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**S.F. 3086** requires the commissioner of revenue to credit the taxes from the sale and purchase of motor vehicle repair and replacement parts as follows: 76 percent to the highway user tax distribution fund (HUTDF), 12 percent to the small cities assistance account, and 12 percent to the town road account.

Under current law, a fixed portion (\$145.6 million annually) of the taxes from the sale and purchase of motor vehicle repair and replacement parts is credited to the HUTDF. Based on the November 2021 budget forecast, this would mean an estimated increase to the HUTDF of \$93.1 million in fiscal year 2023, \$100.7 million in fiscal year 2024, and \$110.1 million in fiscal year 2025.

Under current law, the town road account receives an annual funding dedication of 1.5 percent of all HUTDF revenue. The small cities assistance account does not currently receive any dedicated funding. Based on the November 2021 budget forecast, each account would see an estimated increase of \$37.7 million in fiscal year 2023, \$38.9 million in fiscal year 2024, and \$40.4 million in fiscal year 2025.

Note that the estimates included in this summary are based on a previous budget forecast and not intended as final amounts.