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The Honorable Jim Doyle
Governor
State of Wisconsin
P.O. Box 7863
Madison, WI 53707

Dear Governor Doyle,

Our industry would like to take this opportunity to clarify a very important error contained in the Department of Transportation's (DOT) budget requesting adoption of the \$393 million oil assessment tax in the next biennium. In their request it is stated that there are five other states that have a similar tax on petroleum products like this proposal. That statement is truly false and needs to be corrected. There in fact are four states, Connecticut, New York, Pennsylvania and New Jersey that have petroleum related gross receipts or franchise tax. However, **none of these states prohibit oil companies from passing the tax on to consumers.** The omission of this misleads lawmakers and the public from the facts. These states in fact treat the tax similar to the gas tax and it is passed on by fuel suppliers to consumers of fuel. States like Pennsylvania and New York who originally tried to include anti-pass through language either were challenged in court, or through the advice of counsel, dropped the idea for fear of it being unconstitutional and bad tax policy. We know of no other Wisconsin tax law that prohibits in statute a company or companies that do business in the state from passing a tax on as part of the cost of doing business in the state.

We would hope that in the future as we debate the merits of the issue, you, your administration and supporters of this onerous tax make it clear that it is unique to any similar proposal adopted by any other state. We believe it to be unconstitutional and it could have major supply and price implications to Wisconsin fuel consumers as proposed.

Sincerely,

Erin Roth
Executive Director

c. Sen. Decker
Sen. Miller
Sen. Fitzgerald
Rep. Sheridan
Rep. Fitzgerald
Rep. Nelson
Sec. Morgan
Sec. Busalacchi