

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$36,057,000		\$40,325,000
CASH FUNDS		\$1,327,000		\$1,632,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>\$37,384,000</b>		<b>\$41,957,000</b>

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 1248 would exclude hemp from the sales use tax exemptions under section 77-2704.09.

The bill would also add sales and use taxes for candy and soft drinks.

This bill would become operative July 1, 2024 and contains the emergency clause.

The Department of Revenue (DOR) estimates the following increase to General Fund revenues as a result of this bill:

Fiscal Year	GF Revenues	Highway Allocation Fund (Cities and Counties)	Highway Trust Fund	Locals (assume 1.5%)
FY24-25	\$ 36,057,000	\$ 234,000	\$ 1,327,000	\$ 9,365,000
FY25-26	\$ 40,325,000	\$ 288,000	\$ 1,632,000	\$ 11,522,000
FY26-27	\$ 41,213,000	\$ 294,000	\$ 1,668,000	\$ 11,775,000
FY27-28	\$ 41,834,000	\$ 299,000	\$ 1,693,000	\$ 11,953,000

There is estimated to be a revenue increase to the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties. The DOR also estimates increases in tax revenue to local governments based upon a 1.5% sales and use tax rate.

The DOR estimates no costs to it to implement the bill.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1248	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 1/30/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1248 appears reasonable.		



Please complete ALL (5) blanks in the first three lines.

**2024**

**LB<sup>(1)</sup> 1248**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation (NDOT)

Prepared by: <sup>(3)</sup> Jenessa Boynton Date Prepared: <sup>(4)</sup> 01/26/2024 Phone: <sup>(5)</sup> 402-479-4691

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$1,327,000	_____	\$1,632,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	\$234,000	_____	\$288,000
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>\$1,561,000</b>	<b>=====</b>	<b>\$1,920,000</b>

**Explanation of Estimate:**

LB1248 proposes to exclude hemp from the sales and use tax exemption in §77-2704.09 and impose sales and use tax on candy and soft drinks. The operative date of the bill is July 1, 2024.

Revenue to Build Nebraska Act Funds				
	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Highway Trust Fund	\$1,327,000	\$1,632,000	\$1,668,000	\$1,693,000
Highway Allocation Fund (cities and counties)	\$234,000	\$288,000	\$294,000	\$299,000

This estimate of increased tax revenue is from the Nebraska Department of Revenue. The increase in the sales tax base will result in more available funding to the Highway Trust Fund for NDOT and the Highway Allocation Fund for cities and counties.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Peronal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____