PREPARED BY: DATE PREPARED: PHONE: John Wiemer January 24, 2023 402-471-0051

**LB 58** 

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	3-24	FY 2024-25			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		(\$1,606,000)		(\$2,478,000)		
CASH FUNDS		(\$65,000)		(\$100,000)		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$1,671,000)		(\$2,578,000)		

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

LB 58 provides sales and use tax exemptions for diapers.

The operative date of the bill is October 1, 2023.

The Department of Revenue (DOR) estimates the revenue reduction from this bill as follows:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$1,606,000	\$65,000	\$11,000
FY24-25	\$2,478,000	\$100,000	\$18,000
FY25-26	\$2,549,000	\$103,000	\$18,000

There is estimated to be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The DOR estimates minimal costs to implement the bill.

There is no basis to disagree with these estimates.

LB: 58 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED F	BY: Neil Sullivan	DATE: 1/23/2023	PHONE: (402) 471-4179		

LB 0058 Fiscal Note 2023

		State Agency	Estimate			
State Agency Name: Department of Revenue		Date Due LFO:				
Approved by: Glen White		Date Prepared:	1/20/2023 Phone: 471-5654			
	FY 2023	FY 2023-2024		<u>1-2025</u>	FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$(1,606,000)	1	\$(2,478,000)		\$(2,549,000)
Cash Funds		\$(65,000)		\$(100,000)		\$(103,000)
Federal Funds						
Other Funds		\$(11,000)		\$(18,000)		\$(18,000)
Total Funds		\$(1,901,000)		\$(2,596,000)		\$(2,670,000)

LB 58 amends sections §§77-2701, 77-2701.04,77-2711, 77-2713, and 77-27,223 to provide a sales and use tax exemption for diapers.

Using diaper market data adjusted for Nebraska's population, the Department of Revenue (DOR) estimates the following reduction to sales tax receipts:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$1,606,000	\$65,000	\$11,000
FY24-25	\$2,478,000	\$100,000	\$18,000
FY25-26	\$2,549,000	\$103,000	\$18,000

It is estimated that there will be minimal costs to the Department to implement this bill.

The operative date for this bill is October 1, 2023.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Benefits							
Operating Costs					\$0		
Travel							
	s						
					\$0		