

**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		\$32,267,000		\$37,490,000
CASH FUNDS		\$1,187,000		\$1,518,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>\$33,454,000</b>		<b>\$39,008,000</b>

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

LB 1311 would make changes to the definition of gross receipts for sales and use taxes to remove from exceptions listed under gross income received for animal specialty services: veterinary services, specialty services performed on livestock as defined in section 54-183, and animal grooming performed by a licensed veterinarian or a licensed veterinary technician in conjunction with medical treatment.

LB 1311 would also make changes to include the gross income received for storage services and moving services under the definition of gross receipts for sales and use taxes.

This bill would become operative on 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:

	General Fund Revenues	Highway Allocation Fund (Cities and Counties)	Highway Trust Fund	Local Sales Tax (1.5%)
FY2024-25	\$ 32,267,000	\$ 209,000	\$ 1,187,000	\$ 8,381,000
FY2025-26	\$ 37,490,000	\$ 267,000	\$ 1,518,000	\$ 10,711,000
FY2026-27	\$ 40,050,000	\$ 286,000	\$ 1,621,000	\$ 11,443,000

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 minimal 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: 1311	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 1311 appears reasonable.			



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**2024**

**LB<sup>(1)</sup> 1311**

**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	_____	\$1,187,000	_____	\$1,518,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	\$209,000	_____	\$267,000
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>\$1,396,000</b>	<b>=====</b>	<b>\$1,785,000</b>

**Explanation of Estimate:**

LB1311 proposes to impose sales and used tax on gross receipts for veterinary services, specialty services performed on livestock as defined in section 54-183, animal grooming performed by a licensed veterinarian or a licensed veterinary technician in conjunction with medical treatment. In addition, storage services and moving services would be included in the gross receipt definition if enacted.

Revenue to Build Nebraska Act Funds			
	FY2024-25	FY2025-26	FY2026-27
Highway Trust Fund	\$1,187,000	\$1,518,000	\$1,621,000
Highway Allocation Fund (cities and counties)	\$209,000	\$267,000	\$286,000

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**

**Personal 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>	_____	_____	_____	_____