

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 23, 2010  
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**LB 802**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(\$262,000)		(\$461,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$262,000)		(\$461,000)

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 802 amends the Nebraska Revenue Act of 1967, Nebraska Revised Statutes Sections 77-2701.10 and 77-2701.16. The bill has an operative date of October 1, 2010.

Section 77-2701.01 is amended to change the definition of “contractor or repairperson” to include someone who incorporates sod into real estate.

Section 77-2701.16 is amended to exempt the sale of sod from sales and use tax by excluding sod from the definition of gross receipts.

The Department of Revenue estimates the fiscal impact of LB 802 to the General Fund due to a reduction in sales and use tax receipts as follows:

FY10-11: (\$ 262,000)  
 FY11-12: (\$ 461,000)  
 FY12-13: (\$ 472,000)

The Department also indicates there would be no cost to the Department to implement LB 802.

There is no basis to disagree with the Department's estimate of fiscal impact.

**IMPACT TO POLITICAL SUBDIVISIONS:**

The Department of Revenue estimates the impact to political subdivisions to be a reduction in the Local Option sales tax of approximately \$125,000.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

REVIEWED BY	Lyn Heaton	DATE	2/24/10	PHONE	471-2526
COMMENTS					
DEPT. OF REVENUE – No basis upon which to disagree.					