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LB 708

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	29,000		29,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	29,000		29,600	

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

LB 708 is the Sales Tax Holiday Act.

Section 3 provides that, beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the Sunday following, a retailer may elect to not collect sales tax as required under subdivision (1)(a) of section 77-2703. For such sales, the tax shall constitute part of the sales price. In effect, the retailer may offer tax free sales to customers, but the tax amount will be absorbed by the retailer. Retailers are also allowed to advertise such offerings under the bill's provisions.

Since the provisions of LB 708 allow retailers to pay sales tax obligations on behalf of customers, the applicable tax will still be remitted. This results in minimal impact to the General Fund.

The Department of Revenue estimates the cost to implement the bill to be \$29,000 in fiscal year 2008-09 and \$29,600 in fiscal year 2009-10. This is the cost to employ a half-time revenue senior auditor with related benefits. This auditor would insure that the sales tax is remitted, plus the annual mailing of a notice to sales tax permit holders. There is no basis to disagree with this estimate.