LB 689

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 689 would strike the existing statutory provision that a 3/5 cent per bushel or hundredweight excise tax be assessed on corn and grain sorghum from October 1, 2012 through October 1, 2019. The tax would be deposited in the Water Resources Cash Fund.

There is no fiscal impact as a result of LB 689 in FY10-11 or FY11-12. Beginning in FY12-13, the Water Resources Cash Fund would not receive additional revenue from the grain excise tax. The estimated unrealized cash fund revenue would total approximately $7,545,000 on an annual basis from FY12-13 through FY18-19.

LB689 would also provide that the remaining balance in the Ethanol Production Cash Fund (EPIC) be allocated in the following manner on December 31, 2012: One-half would be proportionally allocated to the Corn and Grain Sorghum Boards, and one-half would be transferred to the General Fund. Current law designates that the Water Resources Cash Fund would receive the unused balance of the EPIC fund. At this time, it is estimated that the ending balance of the EPIC fund will be minimal and that any revenue impact on the General Fund or the respective cash funds will be minimal.

Because the Department of Agriculture collects the excise tax on corn and grain sorghum, revolving fund revenues and expenditures would decrease beginning in FY12-13.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE 1/13/10	PHONE 471-2526
COMMENTS			

AGRICULTURE: I concur.
DEPARTMENT OF NATURAL RESOURCES: I have no basis to dispute DNR estimate.