

PREPARED BY: Doug Gibbs  
 DATE PREPARED: January 14, 2010  
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**LB 804**

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         |              | (\$285,000) |              | (\$749,000) |
| FEDERAL FUNDS      |              |             |              |             |
| OTHER FUNDS        |              |             |              |             |
| <b>TOTAL FUNDS</b> |              | (\$285,000) |              | (\$749,000) |

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

LB 804 amends Section 76-902 to add deeds between siblings and deeds between nonprofit organizations to those deeds exempt from the documentary stamp tax when there is no actual consideration exchanged. The exemptions would become effective January 1, 2011.

The Documentary Stamp Tax rate is \$2.25 per \$1000 of value. The \$2.25 is divided as follows:

- The county register of deeds retains \$0.50 as a collection fee which goes to the county general fund;
- The Affordable Housing Trust Fund receives \$1.20;
- The Homeless Shelter Trust Fund receives \$0.25;
- The Behavioral Health Services Fund receives \$0.30.

The Department of Revenue estimates the following fiscal impact of LB 804:

|          | <u>Total<br/>Impact</u> | <u>Affordable<br/>Housing</u> | <u>Behavioral<br/>Health</u> | <u>Homeless<br/>Shelter</u> |
|----------|-------------------------|-------------------------------|------------------------------|-----------------------------|
| FY10-11: | (\$ 285,000)            | (\$195,000)                   | (\$ 49,000)                  | (\$ 41,000)                 |
| FY11-12: | (\$ 749,000)            | (\$514,000)                   | (\$128,000)                  | (\$107,000)                 |
| FY12-13: | (\$ 799,000)            | \$548,000)                    | (\$137,000)                  | (\$114,000)                 |

Based on the assumptions used by the Department, that the new exemptions would have the same impact as the average impact of the current exemptions, the estimate of fiscal impact appears reasonable and there is no basis to disagree with the Department.

There is no cost to the Department of Revenue to implement LB 804.

**IMPACT TO POLITICAL SUBDIVISIONS:**

Lancaster County estimates a loss of revenue of approximately \$5,000 to their General Fund in FY10-11 due to decreased documentary stamp tax collections. It can be assumed that proportional reductions will be experienced by other Nebraska counties.

The Department of Revenue estimates the following impact to the county collection fee:

|          |              |
|----------|--------------|
| FY10-11: | (\$ 82,000)  |
| FY11-12: | (\$ 214,000) |
| FY12-13: | (\$ 228,000) |

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

| REVIEWED BY                                 | Lyn Heaton | DATE 1/19/10 | PHONE 471-2526 |
|---|------------|--------------|----------------|
| <b>COMMENTS</b>                             |            |              |                |
| STATE TREASURER – Concur. No fiscal impact. |            |              |                |