

Revised due to adoption of amendments on General and Select File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 474, as amended by AM1815, AM2044, and FA203, amends several sections of Nebraska Revised Statutes dealing with municipal occupation taxes.

The bill adds language to those sections of statute dealing with the ability of a metropolitan class city, a primary class city, a city of the first class, second class, and villages to levy an occupation tax by requiring such city to make a reasonable classification of businesses, users of space, or the kinds of transactions for purposes of imposing an occupation tax.

In addition, the bill as amended now prohibits any municipality from imposing an occupation tax on any transaction subject to tax under sections 53-160 (Beer, Wine, Alcohol and Spirits), 66-489 (Motor Fuels), 66-489.02 (Gasoline), 66-4,140 (Motor Fuels), 66-4,145 (Motor Fuels), 66-4,146 (Motor Fuels), 77-2602 (Cigarettes), and 77-4008 (Tobacco Products) or exempt from tax under 77-2704.24 (Food or Food Ingredients).

LB 474, as amended, also adds the above language and restrictions to occupation taxes that may be imposed pursuant to the Business Improvement District Act or an enhanced employment area.

The bill now contains the emergency clause.

We believe the bill as amended will have minimal impact to the General Fund.

NOTE: If a retailer selling items or services subject to sales tax and now subject to an occupation tax chooses to show the occupation tax on the customer's bill, the occupation tax is part of gross receipts. In this case, the occupation tax must be included in the sales price before calculating the state and any local option sales tax. Stating the occupation tax on the customer's invoice does not impose the tax on the customer, it is still the responsibility of the business. Whenever a retailer itemizes its cost of doing business for the customer, these amounts are still part of gross receipts subject to sales tax. Eliminating the amount of the occupation tax from gross receipts would reduce sales tax revenue.