## LB 96

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	13-14	FY 2014-15				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$6,759,000)		(\$9,280,000)			
CASH FUNDS		(\$274,000)		(\$376,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$7,033,000)		(\$9,656,000)			

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

LB 96 amends the Nebraska Revenue Act of 1967, regarding sales and use taxes.

The bill would exempt the sale of repairs and replacement parts for agricultural machinery or equipment used in commercial agriculture from sales and use taxes.

The bill also sunsets the current sales and use tax refund for repairs or parts for agricultural machinery equipment used in commercial agriculture on October 1, 2013. Purchases for which taxes were paid prior to that date would still be eligible for the refund.

The bill has an operative date of October 1, 2013.

The Department of Revenue estimates the following fiscal impact to the following funds as a result of LB 96:

		State Highway Capi	tal	
		Improvement	Highway Allocation	
Fiscal Year:	General Fund:	Fund (Cash):	Fund (Local):	Total:
2013-14:	(\$6,759,000)	(\$274,000)	(\$48,000)	(\$ 7,081,000)
2014-15:	(\$9,280,000)	(\$376,000)	(\$66,000)	(\$ 9,722,000)
2015-16:	(\$9,514,000)	(\$385,000)	(\$68,000)	(\$ 9,967,000)
2016-17:	(\$9,719,000)	(\$393,000)	(\$69,000)	(\$10,181,000)

The Department estimates that the cost to implement the provisions of LB 96 to be minimal.

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

## IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund as a result of LB 96:

FY2013-14:	(\$48,000)
FY2014-15:	(\$66,000)
FY2015-16:	(\$68,000)
FY2016-17:	(\$69,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: <mark>96</mark>	LB: 96 AM: AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Ly	n Heaton	DATE: 2/25/2013 PHONE: <u>402.471.4181</u>				
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.						

## Fiscal Note 2013

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFA: 1/22/2013								
Approved by: Douglas Ewald		Date Prepared:	Prepared: 1/17/2013 Phone: 471		Phone: 471-5896			
	FY 2013	3-2014	FY 2014-2015		FY 2015-2016			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		(\$6,759,000)		(\$9,280,000)		(\$9,514,000)		
Cash Funds		(\$322,000)		(\$442,000)		(\$453,000)		
Federal Funds								
Other Funds								
Total Funds		(\$7,081,000)		(\$9,722,000)		(\$9,967,000)		

LB 96 exempts the sale, lease, or rental of repair or replacement parts for agricultural machinery and equipment used in commercial agriculture from sales or use tax. A taxpayer may also file a refund claim for sales or use tax paid on purchases of depreciable repairs or parts for agricultural machinery prior to October 1, 2013.

This bill is expected to have an impact to the following funds:

Fiscal Year General Fund		State Highway	Highway	Total	
		Capital	Allocation Fund		
		Improvement Fund			
2013-14	(\$6,759,000)	(\$274,000)	(\$48,000)	(\$7,081,000)	
2014-15	(\$9,280,000)	(\$376,000)	(\$66,000)	(\$9,722,000)	
2015-16	(\$9,514,000)	(\$385,000)	(\$68,000)	(\$9,967,000)	
2016-17	(\$9,719,000)	(\$393,000)	(\$69,000)	(\$10,181,000)	

Departmental cost to implement the bill is expected to be minimal.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 <u>Expenditures</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>	
Benefits								
Operating Costs	Operating Costs							
Travel								
Capital Outlay								
Aid								
Capital Improvemer	nts							
Total								