PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 04, 2015 402-471-0051

LB 249

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2015-16 FY 2016-17							
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE					
GENERAL FUNDS		(\$806,000)		(\$1,238,000)				
CASH FUNDS		(\$29,000)		(\$50,000)				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		(\$835,000)		(\$1,288,000)				

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

LB 249 amends the Nebraska Revenue Act of 1967, Section 77-2701.04, regarding sales and use taxes.

The bill would exempt the sale of horses from sales and use taxes.

The bill has an operative date of October 1, 2015.

The Department of Revenue estimates the following fiscal impact as a result of LB 249:

		State Highway Capital	Highway Allocation	n Fund
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2015-16	(\$ 806,000)	(\$ 29,000)	(\$ 5,000)	(\$ 840,000)
2016-17	(\$ 1,238,000)	(\$ 50,000)	(\$ 9,000)	(\$ 1,297,000)
2017-18	(\$ 1,267,000)	(\$ 51,000)	(\$ 9,000)	(\$ 1,327,000)
2018-19	(\$ 1,298,000)	(\$ 53,000)	(\$ 9,000)	(\$ 1,360,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 249.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO LOCAL POLITICAL SUBDIVISIONS:

The estimated impact to the Highway Allocation Fund is as follows:

FY2015-16: (\$5,000) FY2016-17: (\$9,000) FY2017-18: (\$9,000) FY2018-19: (\$9,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 249 AM: AGENCY/POLT. SUB: Dept. of Revenue							
REVIEWED BY: Lyn Heaton DATE: 2/5/2015 PHONE: 471-4181							
COMMENTS: No basis upon which to disagree with the Department's analysis.							

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 249 AM: AGENCY/POLT. SUB: Dept. of Roads						
REVIEWED BY: Lyn Heaton DATE: 2/4/2015 PHONE: 471-415						
COMMENTS: The Department's estimate for FY 2015-16 is likely overstated as it does not prorate the amount due to the						

COMMENTS: The Department's estimate for FY 2015-16 is likely overstated as it does not prorate the amount due to the exemption not being operative until October 1, 2015, which suggests the first year impact should be reduced to reflect about two-thirds of the fiscal year. Otherwise, the Department's annualized estimate for FY 2016-17 appears reasonable.

LB 249 Fiscal Note 2015

		State Agency	Estimate			
State Agency Name: Departmer	nt of Revenue				Date Due LFA:	2/4/2015
Approved by: Len Sloup		Date Prepared:	2/4/2015		Phone: 471-5896	
	FY 2015	5-201 <u>6</u>	FY 201	6-2017	FY 20	17-2018
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$806,000)		(\$1,238,000)		(\$1,267,000)
Cash Funds		(\$29,000)		(\$50,000)		(\$51,000)
Federal Funds						
Other Funds		(\$5,000)		(\$9,000)		(\$9,000)
Total Funds		(\$840,000)		(\$1,297,000)		(\$1,327,000)
			•	•	-	

LB 249 provides a sales and use tax exemption on the gross receipts from the sale of horses.

The Department's costs to implement LB 249 are expected to be minimal.

LB 249 is expected to reduce revenue to the following funds by the amounts below:

Fiscal Year	General Fund	State Highway	Highway Allocation	Total
		Capital	Fund	
		Improvement Fund		
2015-16	\$ 806,000	\$29,000	\$5,000	\$ 840,000
2016-17	\$1,238,000	\$50,000	\$9,000	\$1,297,000
2017-18	\$1,267,000	\$51,000	\$9,000	\$1,327,000
2018-19	\$1,298,000	\$53,000	\$9,000	\$1,360,000

LB 249 is operative on October 1, 2015.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 <u>Expenditures</u>	17-18 Expenditures	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Aid								
Capital Improvemen	ts							

TOTAL.....

$LB^{(1)}$	249					FISCAL NOTE			
State Ag	gency OR I	Political Subdivision Name:	Nebraska Dept of Roads						
Prepare	ed by: (3)	Becky Fleming	Date Prepare	d: ⁽⁴⁾ 1/29/15	Phone: (5)	(402) 479 4692			
		ESTIMATE PRO	VIDED BY STATE A	GENCY OR POLITIC	CAL SUBDIVISIO	ON			
		<u>EXPENDITUR</u>	FY 2015-16 RES REVENU	<u>JE</u> <u>EXPENI</u>	<u>FY 2016</u> DITURES	REVENUE			
GENE	RAL FUN	DS	<u> </u>						
CASH 1	FUNDS		\$(46,750	.00)		\$(46,750.00)			
FEDER	RAL FUNI	OS	<u></u>						
OTHE	R FUNDS								
TOTAL	L FUNDS		\$(46,750	.00)		\$(46,750.00)			
On sales of 1% is approxi	s and use t remitted t mately \$46	imately \$22 million. This ax collected, 85% of 1/4 of to the Highway Allocation 5,750 (85%, calculated usin formation from Dept of Re	1% sales tax collected is Fund. If this bill were tg sales recorded in 2012 evenue above).	s remitted to the State of pass, this would result). Cities and counties	t in a loss to the D would lose approx	ept of Road of			
Persona	al Services		AKDOWN BY MAJOI	R OBJECTS OF EXP	<u>ENDITURE</u>				
		ION TITLE	NUMBER OF POSITE 15-16 16		5-16 DITURES	2016-17 EXPENDITURES			
Benefit	s								
Travel.									
Capital	outlay								
Aid									
Capital	improven	nents							