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LB 398

Revision: 01

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to provide additional information.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	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 398 amends Nebraska Revised Statutes Section 77-202 to exempt all tangible personal property from property tax beginning January 1, 2017.

Section 77-105 defines tangible personal property as all personal property possessing a physical existence, excluding money. The term tangible personal property also includes trade fixtures, which means machinery and equipment, regardless of the degree of attachment to real property, used directly in commercial, manufacturing, or processing activities conducted on real property, regardless of whether the real property is owned or leased, and all depreciable tangible personal property described in subsection (9) of Section 77-202 used in the generation of electricity using wind as the fuel source. The term intangible personal property includes all other personal property, including money.

There is no fiscal impact to the General Fund as a result of LB 398.

The Department of Revenue indicates the cost to implement LB 398 will be minimal.

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

We estimate LB 398 will result in an increased expenditure from the General Fund as a result of increased Tax Equity and Education Opportunity Support Act (TEEOSA) funding of \$67.5 million for FY17-18.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials estimates a statewide reduction in tax revenue of \$217,700,000.