PREPARED BY: Doug Gibbs
DATE PREPARED: April 13, 2015
PHONE: 402-471-0051

**LB 419** 

Revision: 01

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to adoption of amendment.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	FY 2015-16 FY 2016-17						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS		(\$727,500)		(\$1,799,500)				
CASH FUNDS		(\$23,500)		(\$72,500)				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		(\$751,000)		(\$1,872,000)				

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

LB 419, as amended by AM984, amends the Nebraska Revenue Act of 1967.

The bill, as amended will exempt the sale of memberships, admissions, and the purchases of any national accredited zoo or aquarium that is operated by a public agency or nonprofit corporation primarily for educational, scientific, or tourism purposes from Nebraska sales and use tax.

The bill has an operative date of January 1, 2016.

The Department of Revenue estimates the following fiscal impact of LB 419, as amended:

		State Highway Capital	Highway Allocation F	und
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2015-16:	(\$ 689,000)	(\$ 22,000)	(\$ 4,000)	(\$ 715,000)
2016-17:	(\$ 1,704,000)	(\$ 69,000)	(\$ 12,000)	(\$ 1,785,000)
2017-18:	(\$ 1,755,000)	(\$ 71,000)	(\$ 13,000)	(\$ 1,839,000)
2018-19:	(\$ 1,808,000)	(\$ 73,000)	(\$ 13,000)	(\$ 1,894,000)

The Department of Revenue indicates the cost to implement LB 419 will be minimal.

The Legislative Fiscal Office estimates the following fiscal impact of LB 419, as amended:

		State Highway Capital	Highway Allocation	Fund
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2015-16:	(\$ 766,000)	(\$ 25,000)	(\$ 4,000)	(\$ 795,000)
2016-17:	(\$ 1,895,000)	(\$ 76,000)	(\$ 13,000)	(\$ 1,984,000)
2017-18:	(\$ 1,952,000)	(\$ 78,000)	(\$ 13,500)	(\$ 2,043,500)
2018-19:	(\$ 2,011,000)	(\$ 81,000)	(\$ 14,000)	(\$ 2,106,000)

Based on the two above estimates, the fiscal impact of LB 419, as amended, is estimated to be:

		State Highway Capital	Highway Allocation	Fund
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2015-16:	(\$ 727,500)	(\$ 23,500)	(\$ 4,000)	(\$ 755,000)
2016-17:	(\$ 1,799,500)	(\$ 72,500)	(\$ 12,500)	(\$ 1,884,500)
2017-18:	(\$ 1,853,500)	(\$ 74,500)	(\$ 13,250)	(\$ 1,941,250)
2018-19:	(\$ 1,909,500)	(\$ 77,000)	(\$ 13,500)	(\$ 2,000,000)

## **IMPACT TO POLITICAL SUBDIVISIONS:**

The impact to the Highway Allocation Fund is as follows:

FY2015-16: (\$ 4,000) FY2016-17: (\$ 12,500) FY2017-18: (\$ 13,250) FY2018-19: (\$ 13,500)

In addition, local sales and use tax revenue would be reduced by approximately \$200,000 for FY15-16 and \$500,000 for FY16-17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 419 AM: AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Lyn	REVIEWED BY: Lyn Heaton DATE: 4/9/2015 PHONE: 471-4181				
COMMENTS: No basis upon which to disagree with the Department of Revenue analysis.					

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 419 AM: AGENCY/POLT. SUB: City of Lincoln						
REVIEWED BY: Lyn Heaton DATE: 2/13/2015 PHONE: 471-4181						
COMMENTS: No basis upon which to disagree.						

		State Agency	Estimate			
State Agency Name: Departmen	nt of Revenue				Date Due LFA:	4/8/2015
Approved by: Len Sloup		Date Prepared:	3/31/2015		Phone: 471-5896	
	FY 2015	<u>5-2016</u>	FY 201	6-201 <u>7</u>	FY 20	17-2018
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$689,000)		(\$1,704,000)		(\$1,755,000)
Cash Funds		(\$22,000)		(\$69,000)		(\$71,000)
Federal Funds						
Other Funds		(\$4,000)		(\$12,000)		(\$13,000)
Total Funds		(\$715,000)		(\$1,785,000)		(\$1,839,000)
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LB 419 would have provided a sales and use tax exemption for any purchases or sales made by a zoo or aquarium that is accredited by the Association of Zoos and Aquariums. AM 984 would narrow the exemption slightly to include only sales of memberships and other admissions, and all purchases by a nationally accredited zoo or aquarium that is operated by a public entity or nonprofit corporation primarily for educational, scientific, or tourism purposes.

If AM 984 is adopted, the amended LB 419 is expected to reduce revenue in the following funds:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total
2015-16	\$689,000	\$22,000	\$4,000	\$715,000
2016-17	\$1,704,000	\$69,000	\$12,000	\$1,785,000
2017-18	\$1,755,000	\$71,000	\$13,000	\$1,839,000
2018-19	\$1,808,000	\$73,000	\$13,000	\$1,894,000

The Department's cost to implement the bill is expected to be minimal.

The operative date of LB 419 is January 1, 2016.

Major Objects of Expenditure								
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures	
Benefits								
Travel	Travel							
Aid								
	Capital Improvements.							
Total		•••••	•••••	•••••				

<b>LB</b> <sup>(1)</sup> 419						FISCAL NOTE
State Agency OR Political S	Subdivision Name: (2	Cit	y of Lincoln			
Prepared by: (3) Sherry	y Wolf Drbal	Dat	e Prepared: (4)	1/28/15	Phone: (5)	402 441-8305
F	ESTIMATE PROV	IDED BY	STATE AGENC	Y OR POLITICA	AL SUBDIVISIO	ON
	F	Y 2015-16	ļ.		FY 2016	6-17
	EXPENDITUR	<u>ES</u>	<u>REVENUE</u>	EXPEND	<u>ITURES</u>	<b>REVENUE</b>
GENERAL FUNDS	-		-37,000			-38,000
CASH FUNDS		<u></u>				
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		_	-37,000			-38,000
<b>Explanation of Estimate:</b>						
amounts were ca sales tax savin	gs.			S OF EXPENDI		
Personal Services:			~~~~~~~~			
POSITION TI		15-16	OF POSITIONS 16-17	5 2015 <u>EXPEND</u>	-	2016-17 EXPENDITURES
Benefits		_	_			
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements						
TOTAL						