PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza December 23, 2021 (402)471-0050

LB 233

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for 2022 session

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2022-23		FY 2023-24					
	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 233 clarifies the taxation on the sale of peer-to-peer rentals of motor vehicles through digital platforms. LB 233 defines peer-to-peer rentals as a rental transaction where one individual rents their motor vehicle, as defined by the Motor Vehicle Registration Act, to another individual for a period of time. The sales tax is to be paid by the party facilitating the rental.

LB 233 has an operative date of October 1, 2021, but would not become effective until 3 months after adjournment of the 2022 session.

The Department of Revenue estimates no fiscal impact to General Fund revenues as a result of LB 233. The Department finds that LB 233 does not impact the taxation of motor vehicles currently being offered for peer-to-peer, and that the number of such vehicles is very small. There is no basis to disagree with this assessment.

The Department of Revenue estimates no costs to the Department to implement LB 233. There is no basis to disagree with this estimate.

The estimates provided are from the 2021 session.

LB 233 Fiscal Note 2021

State Agency Estimate								
State Agency Name: Department of	Date Due LFO:							
Approved by: Tony Fulton		Date Prepared:	d: 2/16/2021 Phone: 471-5896					
	FY 2021-2022		FY 2022-2023		FY 2023-2024			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		

LB 233 provides that peer-to-peer rentals of automobiles, trucks, trailers, semitrailers, and truck-tractors that are made through a digital platform or other digital medium; the sales tax is collected on the "rental price" by the "party facilitating the rental". The vehicles have the same definition as in the Motor Vehicle Registration Act. Peer-to-peer rental is defined as a rental transaction in which one individual rents his or her personal property to another individual for short-term use. Section 2 harmonizes provisions. LB 233 would not make any change to the current taxability of peer-to-peer vehicle rentals utilizing a multivendor marketplace platform. It is operative on October 1, 2021.

DOR notes that very few motor vehicles and trailers are advertised as available for peer-to-peer sharing in Nebraska. LB 233 does not affect the taxation of these motor vehicles and trailers. As a result, there is no fiscal impact to the General Fund revenues.

It is estimated that there will be no costs to DOR to implement this bill.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Benefits	Benefits							
Operating Costs.								
Capital Outlay								
Capital Improvements. Total.								