PREPARED BY: DATE PREPARED: PHONE:

Revised for 2022 session

Austin Ligenza December 23, 2021 (402)471-0050 **LB 431**

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2022	2-23	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 431 amends various sections relating to protests of property valuations and fee collection. LB 431 requires the submission of a copy of the county assessor's report of undervalued and overvalued property to the Property Tax Administrator within seven days of the county board of equalization's final decision for protested and non-protested actions. LB 431 also allows for the use of electronic mail by the Tax Commission when notice is required under the Nebraska Revenue Act of 1967.

Furthermore, LB 431 amends the timeline for collecting fees from retailers selling tires. Rather than be due by the 25th of each month, LB 431 designates the due date as following the monthly, quarterly, or annual period for filing returns. The filing periods are divided as follows:

- Annual: For retailers remitting less than \$900;
- Quarterly: For retailers remitting between \$900 and \$3000;
- Monthly: For retailers remitting more than \$3000.

Additionally, LB 431 amends a section relating to the Lodging Tax. The due date for payment is changed from the 25th day of each month to be annual for retailers with less than \$900 of yearly tax liability and monthly for retailers with more than \$900 of yearly tax liability. The change also allows for the Tax Commissioner to let seasonal retailers with liabilities exceeding \$900 pay annually.

It is not expected that LB 431 will have an impact on General Fund revenues. The Department of Revenue expects minimal costs to implement LB 431. There is no basis to disagree with these estimates.

There is not likely to be an impact to counties. Lancaster County expects no fiscal impact due to LB 431. There is no basis to disagree with this estimate.

The estimates provided are from the 2021 session.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 431	AM:	AGENCY/POLT. SUB: Lancaster County Assessor			
REVIEWED BY:	Lee Will	DATE: 01/25/2021	PHONE: (402) 471-4175		
COMMENTS: Concur with the Lancaster County Assessor's assessment of no fiscal impact.					

ADMINIS	STRATIVE SEF	RVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &	POLT. SUB. RESPONSE		
LB: 431	AM:	AGENCY/POLT. SUB: Lancaster County Clerk			
REVIEWED BY:	Lee Will	DATE: 01/25/2021	PHONE: (402) 471-4175		
COMMENTS: Concur with the Lancaster County Clerk's assessment of no fiscal impact.					

LB 431 Fiscal Note 2021

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	2/26/2021		Phone: 471-5896	
	FY 2021-	-2022	FY 2022	2-2023	FY 2023	3-2024
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	Minimal	\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	Minimal	\$ 0		\$ 0		\$ 0

Section 1 of LB 431 amends Neb. Rev. Stat. § 77-1376, to change the filing deadline, from before March 1 to on or before March 1, for an owner of leased land or the lessee to file a form prescribed by the Tax Commissioner indicating specific improvements on leased lands are the property of the lessee for tax purposes.

Section 2 amends Section 77-1504 to require the county clerk to send a copy of the county assessor's report of undervalued and overvalued property and copies of the county board of equalization's decisions on the assessment of such property to the Property Tax Administrator.

Section 3 amends Section 77-27,135 to allow any notice required to be given by the Tax Commissioners to include the notice can be given, with the written permission of the taxpayer, by electronic mail or other electronic means in a secure manner as determined by the Tax Commissioner.

Section 4 amends the provisions relating to the filing and remittance of the Tire fee in Section 81-15,164. Currently, the Tire fee is due and payable monthly on or before the 25th day of the month next succeeding each monthly period. LB 431 also allows for the Litter Act fee to be due and payable on or before the 25th day of the month following the monthly, quarterly, or annual period for filing returns. Annual returns are required if the retailer's annual fee remittance is less than \$900, quarterly returns required if the annual fee remittance is \$900 or more but less than \$3,000, and monthly returns required if the annual fee remittance is \$3,000 or more. The Tire fee is due and payable from a county treasurer or the Department of Motor Vehicles to the Tax Commissioner monthly on or before the 15th day of the month following the monthly period.

Section 5 amends Section 81-3722 related to the Lodging Tax. Currently the Lodging Tax is due and payable on or before the 25th day of each month next succeeding each monthly period. LB 431 changes the Lodging Tax to be due and payable on or before the 25th day of the month following the monthly or annual period for filing returns. Annual returns are required if the retailer's yearly tax liability is less than \$900 and monthly returns are

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							

LB 431 page 2 Fiscal Note 2021

required if the retailer's yearly tax liability is \$900 or more. Additionally, the Tax Commissioner may allow annual returns for retailers that operate on a seasonal basis, even when the tax liability exceeds \$900.

It is estimated that LB 431 will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement LB 431.

LB 431 contains an emergency clause and becomes law upon enactment.

	FISCAL NOTE						
State Agency OR Political Subdivision Name: (2) Lancaster County Assessor/ROD	Lancaster County Assessor/ROD						
Prepared by: (3) Scott Gaines Date Prepared: (4) 1/20/21 Phone: (5)	402-441-6580						
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISI	ION						
FY 2021-22 FY 2022-	-23						
EXPENDITURES REVENUE EXPENDITURES	REVENUE						
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							
Explanation of Estimate:							
BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services:							
POSITION TITLE NUMBER OF POSITIONS 2021-22 EXPENDITURES	2022-23 EXPENDITURES						
Benefits							
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							

LB ⁽¹⁾ 431			FISCAL NOTE
State Agency OR Political Subdivision Name: (
Prepared by: (3) Dan Nolte	Date Prepared: (4)	01/21/21	402-441-8721
ESTIMATE PRO	VIDED BY STATE AGEN	NCY OR POLITICAL SUBDI	IVISION
F	Y 2021-22	FV a	022-23
<u>EXPENDITURI</u>		EXPENDITURES	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
	_		
OTHER FUNDS		-	
TOTAL FUNDS	_		
Explanation of Estimate:			
	OWN BY MAJOR OBJECT	TS OF EXPENDITURE	
Personal Services:	NUMBER OF POSITION	S 2021-22	2022-23
POSITION TITLE	<u>21-22</u> <u>22-23</u>	EXPENDITURES	EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Capital improvements			
TOTAL			