John Wiemer January 24, 2024 402-477-0051

## LB 1072

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
		FY 202	4-25	FY 2025-26			
		EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FU	JNDS						
CASH FU	JNDS						
FEDERAL FU	JNDS						
OTHER FL	JNDS						
TOTAL FU	JNDS						

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

LB 1072 would make changes to add that sustainable aviation fuel sold to or used by an air carrier, certified by the carrier to the Department of Revenue (DOR) to be used in Nebraska would earn a credit against the state sales and use tax imposed on the purchase of sustainable aviation fuel in an amount equal to \$1.50 per gallon of sustainable aviation fuel purchased. This credit would begin October 1, 2024 and go through December 31, 2033.

No credit could be earned by an air carrier for soybean oil-derived sustainable aviation fuel in any calendar year once air carriers in the state have collectively purchased sustainable aviation fuel containing 10 million gallons or more of soybean oil feedstock in the calendar year.

The DOR and Department of Transportation estimate no fiscal impact as a result of this bill since aviation fuel is not subject to sales and use tax.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1072 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED B	Y: Neil Sullivan	DATE: 1/23/2024	PHONE: (402) 471-4179			
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 1072 appears reasonable.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1072	AM:	AGENCY/POLT. SUB: Department of Transportation				
REVIEWED BY: Neil Sullivan DATE: 1/23/2024 PHONE: (402) 471-4179						
COMMENTS: The Department of Transportation assessment of no fiscal impact from LB 1072 appears reasonable.						

Please complete <u>ALL</u> (5) blanks in the first three lines.

<b>LB</b> <sup>(1)</sup>	1072				I	FISCAL NOTE		
State Ag	ency OR P	olitical Subdivision Name: <sup>(2)</sup>	Nebraska Department of Transportation (NDOT)					
Prepare	d by: (3)	Jenessa Boynton	Date Prepared: <sup>(4)</sup>	1/18/2024	Phone: <sup>(5)</sup>	402-479-4691		
		ESTIMATE PROVII	DED BY STATE AGEN	CY OR POLITICAL	SUBDIVIS	ION		
		FY	2024-25		FY 2025	5-26		
		EXPENDITURES		<b>EXPENDITU</b>		REVENUE		
GENER	AL FUN	DS						
CASH F	UNDS							
FEDER	AL FUNI	DS						
OTHER	R FUNDS							
TOTAL	L FUNDS							

**Explanation of Estimate:** 

LB 1072 defines sustainable aviation fuel and proposes a credit is earned against any Nebraska sales and use tax imposed on the purchase of sustainable aviation fuel in an amount equal to one dollar and fifty cents per gallon fuel sold to or used by an air carrier.

Aviation fuel is not subject to sales and use tax therefore no fiscal impact is anticipated to the Department should LB 1072 be enacted.

	NUMBER OI	F POSITIONS	2024-25	2025-26	
POSITION TITLE	24-25	<u>25-26</u>	EXPENDITURES	<b>EXPENDITURES</b>	
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL					

## 2024

State Agency Estimate								
State Agency Name: Department of	f Revenue				Date Due LFO:			
Approved by: James R. Kamm		Date Prepared:	01/22/2024		Phone: 471-5896			
	FY 202	4-2025	FY 2025-2026		FY 2026-2027			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

LB 1072 provides that beginning October 1, 2024 through December 31, 2033, sustainable aviation fuel sold to or used by an air carrier, certified by the carrier to the Department of Revenue (DOR) to be used in Nebraska, earns a credit against any Nebraska sales and use tax imposed on the purchase of sustainable aviation fuel in an amount equal to \$1.50 per gallon of sustainable aviation fuel purchased.

No credit may be earned by an air carrier for soybean oil-derived sustainable aviation fuel in any calendar year once air carriers in Nebraska have collectively purchased sustainable aviation fuel containing 10 million gallons or more of soybean oil feedstock in such calendar year.

It is estimated that this bill will have no impact on General Fund revenues since there is no sales tax on aviation fuel based on Neb. Rev. Stat. § 77-2704.03, which states: "Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of aircraft fuel as defined under Chapter 3, article 1."

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

Major Objects of Expenditure									
<u>Class Code</u>	<b>Classification Title</b>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 <u>Expenditures</u>	25-26 <u>Expenditures</u>	26-27 <u>Expenditures</u>		
Benefits	Benefits								
Operating Costs									
Travel									
Capital Outlay									
	nts								
Total									