

Revised to exclude soft costs in calculations

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$16,165,355)		(\$18,516,679)
CASH FUNDS		(\$654,312)		(\$749,485)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$16,819,667)		(\$19,266,164)

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

LB 694 would expand the sales and use tax exemption for manufacturing machinery and equipment by adding machinery and equipment used to produce broadband communications services as a part of the exemption.

The fiscal impact for the bill has been adjusted after review to exclude soft costs, such as labor and permitting costs, which would not be subject to taxation, from the calculations. The fiscal impact of LB 694 is now estimated to be as follows:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
23-24	\$ (16,165,355)	\$ (654,312)	\$ (115,467)
24-25	\$ (18,516,679)	\$ (749,485)	\$ (132,262)
25-26	\$ (19,442,513)	\$ (786,959)	\$ (138,875)
26-27	\$ (20,414,639)	\$ (826,307)	\$ (145,819)

There is estimated to be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The DOR estimates minimal costs to implement the bill. There is no basis to disagree with this estimate.