PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 17, 2023 402-471-0051

**LB 727** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

| ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates) |              |         |              |         |  |  |  |  |
|--|--------------|---------|--------------|---------|--|--|--|--|
|  | FY 202       | 23-24   | FY 2024-25   |         |  |  |  |  |
|  | 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 727 seeks to add language for sales and use tax exemptions for nonprofit corporations. Current state statute states that if a nonprofit corporation will be making purchases under a lease-purchase agreement, financing lease, or other instrument as part of a project with total estimated cost that exceeds the threshold amount, then such purchases qualify for an exemption only if the question of proceeding with such project has been submitted at a primary, general, or special election held within the governmental unit that will be a party to the lease-purchase agreement, financing lease, or other instrument and has been approved by the voters of such governmental unit. The bill adds that approval by the voters of the governmental unit could be of the governmental unit's expenditure towards the project.

The Department of Revenue (DOR) estimates no impact to General Fund revenues from this bill. The DOR also estimates minimal costs to it to implement the bill. There is no basis to disagree with these estimates.

The Department of Transportation estimates no fiscal impact from this bill. There is no basis to disagree with this estimate.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                   |                   |                 |                       |  |  |  |
|---|-------------------|-----------------|-----------------------|--|--|--|
| LB: 727 AM: AGENCY/POLT. SUB: Department of Revenue   |                   |                 |                       |  |  |  |
| REVIEWED  | BY: Neil Sullivan | DATE: 2/21/2023 | PHONE: (402) 471-4179 |  |  |  |
| COMMENTS: The Department of Revenue assessment of minimal fiscal impact from LB 727 appears reasonable. |                   |                 |                       |  |  |  |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                     |   |                 |                       |  |  |  |
|---|---|-----------------|-----------------------|--|--|--|
| LB: 727   | 27 AM: AGENCY/POLT. SUB: Department of Transportation |                 |                       |  |  |  |
| REVIEWED  | BY: Neil Sullivan                                     | DATE: 2/21/2023 | PHONE: (402) 471-4179 |  |  |  |
| COMMENTS: The Department of Transportation assessment of no fiscal impact from LB 727 appears reasonable. |   |                 |                       |  |  |  |

**LB 727 Fiscal Note** 2023

| State Agency Estimate        |              |                |                            |               |               |         |  |  |
|------------------------------|--------------|----------------|----------------------------|---------------|---------------|---------|--|--|
| State Agency Name: Departmen | t of Revenue |                |                            |               | Date Due LFO: |         |  |  |
| Approved by: Glen White      |              | Date Prepared: | 02/17/2023 Phone: 471-5896 |               |               |         |  |  |
|                              | FY 2023      | 3-2024         | FY 2024                    | <u>4-2025</u> | FY 2025       | 5-2026  |  |  |
|                              | Expenditures | Revenue        | Expenditures               | Revenue       | Expenditures  | Revenue |  |  |
| General Funds                |              | \$ 0           | 1                          | \$ 0          |               | \$ 0    |  |  |
| Cash Funds                   |              |                |                            |               |               |         |  |  |
| Federal Funds                |              |                |                            |               |               |         |  |  |
| Other Funds                  |              |                |                            |               |               |         |  |  |
| Total Funds                  |              | \$ 0           |                            | \$ 0          |               | \$ 0    |  |  |
|                              | ·            |                |                            |               | •             |         |  |  |

LB 727 provides a sales tax exemption for a nonprofit corporation making a lease-purchase agreement, financing lease, or other instrument for a governmental unit's expenditures towards a project that has been approved by the voters of that governmental unit.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Nebraska Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2023.

| Major Objects of Expenditure |                      |                     |                     |                     |                       |                       |                       |  |
|------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|--|
| Class Code                   | Classification Title | 23-24<br><u>FTE</u> | 24-25<br><u>FTE</u> | 25-26<br><u>FTE</u> | 23-24<br>Expenditures | 24-25<br>Expenditures | 25-26<br>Expenditures |  |
|                              |                      |                     |                     |                     |                       |                       |                       |  |
|                              |                      |                     |                     |                     |                       |                       |                       |  |
|                              |                      |                     |                     |                     |                       |                       |                       |  |
| Benefits                     |                      |                     |                     |                     |                       |                       |                       |  |
| Operating Costs              |                      |                     |                     |                     |                       |                       |                       |  |
| Travel                       |                      |                     |                     |                     |                       |                       |                       |  |
|                              |                      |                     |                     |                     |                       |                       |                       |  |
|                              |                      |                     |                     |                     |                       |                       |                       |  |
| Total                        |                      |                     |                     |                     |                       |                       |                       |  |

| <b>LB</b> (1)                                   | 727                   |               |  |                        |                                       |             |                                 | FISCAL NOTE              |  |
|---|-----------------------|---------------|--|------------------------|---------------------------------------|-------------|---------------------------------|--------------------------|--|
| State Agency OR Political Subdivision Name: (2) |                       |               |  |                        | Nebraska Department of Transportation |             |                                 |                          |  |
| Prepare   | ed by: <sup>(3)</sup> | Liza <i>i</i> | Alderman   | Da                     | te Prepared: <sup>(4)</sup>           | 2/16/23     | Phone:                          | (5) 402-479-4692         |  |
|   |                       |               | ESTIMATE PRO   | VIDED B                | Y STATE AGE                           | NCY OR POL  | ITICAL SUBDI                    | VISION                   |  |
|   |                       |               | <u>EXPENDITUR</u>  | Y 2023-24<br><u>ES</u> | <u>4</u><br><u>REVENUE</u>            | EXPE        | <u>FY 20</u><br><u>NDITURES</u> | 024-25<br><u>REVENUE</u> |  |
| GENEI   | RAL FUN               | DS            |  |                        |                                       |             |                                 |                          |  |
| CASH 1  | FUNDS                 |               |  |                        |                                       | _           | _                               |                          |  |
| FEDEF   | RAL FUN               | DS            |  |                        |                                       |             |                                 |                          |  |
| OTHE  | R FUNDS               | 6             |  |                        |                                       |             |                                 |                          |  |
|   | L FUNDS               |               |  | _                      |                                       |             |                                 |                          |  |
| If LB 7   | 27 pass               | es, the       | ject which has be<br>Department of F<br>fiscal impact to | Revenue d              | does not antici                       | pate an imp |                                 |                          |  |
| Porson  | al Service            | AC.           | BREAKDO  | OWN BY N               | MAJOR OBJECT                          | rs of expe  | NDITURE                         | <del></del> -            |  |
| 1 erson   |                       | ION T         |  | NUMBER<br><u>23-24</u> | OF POSITION <u>24-25</u>              |             | 2023-24<br>ENDITURES            | 2024-25<br>EXPENDITURES  |  |
| Renefit   | ·e                    |               |  |                        |                                       | _           |                                 |                          |  |
|   |                       |               |  |                        |                                       |             |                                 | <u> </u>                 |  |
| _   | _                     |               |  |                        |                                       |             |                                 |                          |  |
| Capital   | outlay                |               |  |                        |                                       |             |                                 |                          |  |
| <b>Aid</b>                                      |                       |               |  |                        |                                       |             |                                 |                          |  |
| Capital   | improve               | ments         |  |                        |                                       |             |                                 |                          |  |
| ТО  | TAL                   |               |  |                        |                                       |             |                                 |                          |  |