

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$5,302,000)		(\$13,043,000)
CASH FUNDS		(\$172,000)		(\$528,000)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$5,474,000)		(\$13,571,000)

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

LB 74 amends provisions relating to sales and use taxes to allow buyer-based tax exemptions, for purchases made by a construction contractor that is appointed as a purchasing agent, on qualified materials for construction projects.

The operative date of the bill is January 1, 2024.

The Department of Revenue (DOR) estimates the revenue reduction from this bill as follows:

Fiscal Year	General Funds	Highway Allocation Fund (Cities and Counties)	State Highway Capital Improvement Fund
FY 2023-24	(\$5,302,000)	(\$30,000)	(\$172,000)
FY 2024-25	(\$13,043,000)	(\$93,000)	(\$528,000)
FY 2025-26	(\$13,369,000)	(\$95,000)	(\$541,000)
FY 2026-27	(\$13,703,000)	(\$98,000)	(\$555,000)

There will 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 these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 74	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 1/27/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 74 appears reasonable.		



The estimated impact of LB 74 on the following funds would be as follows:

Fiscal Year	General Funds	Highway Allocation Fund (Cities and Counties)	State Highway Capital Improvement Fund
FY 2023-24	(\$5,302,000)	(\$30,000)	(\$172,000)
FY 2024-25	(\$13,043,000)	(\$93,000)	(\$528,000)
FY 2025-26	(\$13,369,000)	(\$95,000)	(\$541,000)
FY 2026-27	(\$13,703,000)	(\$98,000)	(\$555,000)

It is estimated that there will be minimal costs to DOR to implement this bill.

The operative date for this bill is January 1, 2024.