

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

Under LB 8, a luxury tax would be imposed upon the purchaser of any:

- Motor vehicle that costs more than \$50,000;
- Jewelry that costs more than \$5,000; and
- Clothing that costs more than \$1,000.

Purchases of the following would be exempt from the luxury tax:

- Any motor vehicle purchased by a nonresident serving on active duty in Nebraska as a member of the United States Armed Forces or the United States Reserve Forces or by such nonresident’s spouse;
- Any motor vehicle with a gross vehicle weight rating of more than \$12,500 pounds; and
- Any motor vehicle with a gross vehicle weight rating less than or equal to 12,500 pounds that is designed or used for commercial purposes and is registered as a commercial motor vehicle.

The luxury tax would be equal to 2.25% of the purchase price except when purchases exceed \$400,000. When purchases would exceed \$400,000, the luxury tax would be equal to 3.7% of the amount of the purchase price.

The luxury tax would be in addition to all other taxes.

The luxury tax would be collected by the seller and remitted to and enforced by the Department of Revenue (DOR).

All taxes remitted to the DOR under this bill would be remitted to the State Treasurer for credit to the General Fund.

The DOR could adopt and promulgate rules and regulations to carry out this bill.

The bill would become operative on January 1, 2025.

We estimate that this bill would result in additional General Fund revenue to the state starting in the last half of FY25. Also, there is estimated to be General Fund expenditures connected to the DOR’s responsibilities from the added tax under this bill. Given current information, the effect is indeterminant. If further information is received, the fiscal note for this bill will be updated.