

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$2,021,000)		(\$3,183,000)
CASH FUNDS		(\$72,000)		(\$129,000)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$2,093,000)		(\$3,312,000)

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

LB 901 would amend Section 77-2704.12 to provide additional sales and use tax exemptions for nonprofit organizations. Subdivision (j) would be added to provided a sales tax exemption to a nonprofit organization, until the property is transferred or the contract is completed, that acquires property that will be transferred to an organization listed in subdivisions (a) through (i) of section 77-2704.12 or enters into a contract of construction, improvement, or repair upon property annexed to real estate if the property will be transferred to an organization listed in subdivisions (a) through (i) of section 77-2704.12.

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

The Department of Revenue (DOR) estimates the following revenue impact from the bill as follows:

Fiscal Year	General Funds	Highway Allocation Fund (Cities and Counties)	Highway Trust Fund
FY 2024-25	(\$2,021,000)	(\$13,000)	(\$72,000)
FY 2025-26	(\$3,183,000)	(\$23,000)	(\$129,000)
FY 2026-27	(\$3,343,000)	(\$24,000)	(\$135,000)
FY 2027-28	(\$3,501,000)	(\$25,000)	(\$142,000)

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

The DOR estimates minimal costs to it 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: 901	AM:	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Neil Sullivan		DATE: 1/22/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Transportation assessment of fiscal impact from LB 901 appears reasonable.			

Please complete ALL (5) blanks in the first three lines.

**2024**

**LB<sup>(1)</sup> 901**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation (NDOT)

Prepared by: <sup>(3)</sup> Rahman Rahmani Date Prepared: <sup>(4)</sup> 1/12/2024 Phone: <sup>(5)</sup> 402-479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$72,000)	_____	(\$129,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	(\$13,000)	_____	(\$23,000)
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>(\$85,000)</b>	<b>=====</b>	<b>(\$152,000)</b>

**Explanation of Estimate:**

LB 901 would provide a sales and use tax exemption for any nonprofit organizations that (i) acquires property which will be transferred to an organization listed in subdivisions (a) through (i) of State Statute 77-2704.12 (1) or (ii) enters into a contract of construction, improvement, or repair upon property annexed to real estate if the property as listed in subdivisions (a) through (i) of State Statute 77-2704.12 (1) until the property is transferred, or the contract is completed. The operative date is October 1, 2024.

Revenue to Build Nebraska Act Funds				
	FY2024-25	FY2025-26	FY2026-27	FY2027-28
Highway Trust Fund	(\$72,000)	(\$129,000)	(\$135,000)	(\$142,000)
Highway Allocation Fund (cities and counties)	(\$13,000)	(\$23,000)	(\$24,000)	(\$25,000)

This estimate of decreased tax revenue is from the Nebraska Department of Revenue. The reduction in the sales tax base will divert revenues from the Build Nebraska Act Funds resulting in less available funding to the Highway Trust Fund for NDOT and the Highway Allocation Fund for cities and counties.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

