## LB 96

## 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 20	FY 2024-25				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS		(\$37,000)		(\$61,000)				
CASH FUNDS		(\$1,300)		(\$2,500)				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		(\$38,300)		(\$63,500)				

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

LB 96 adds twine used in commercial agriculture as exempt from sales and use taxes. The bill defines twine as a strong string of two or more strands twisted together used in the baling of livestock feed or bedding. The bill also changes the definition of net wrap to be plastic wrap used in the baling of livestock feed or bedding.

The operative date of the bill is October 1, 2023.

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

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$37,000	\$1,300	\$200
FY24-25	\$61,000	\$2,500	\$400
FY25-26	\$68,000	\$2,700	\$500
FY26-27	\$74,000	\$3,000	\$500

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.

The estimates from the Department of Transportation are from the DOR.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE   LB: 96 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED	BY: Neil Sullivan	DATE: 1/24/2023	PHONE: (402) 471-4179		
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 96 appears reasonable.					

ADMIN	NISTRATIVE SERVICES	STATE BUDGET DIVISION: REVIEW	/ OF AGENCY & POLT. SUB. RESPONSE			
LB: 96	AM:	AGENCY/POLT. SUB: Departm	nent of Transportation			
REVIEWED BY: Neil Sullivan   DATE: 1/24/2023   PHONE: (402) 471-4179						
COMMENTS	COMMENTS: The Department of Transportation assessment of fiscal impact from LB 96 appears reasonable.					

State Agency Name: Departmen	t of Revenue			]	Date Due LFO:	
Approved by: Glen White		Date Prepared:	01/24/2023	]	Phone: 471-5654	
	<u>FY 202.</u>	3-2024	FY 2024	-2025	FY 202	5-2026
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ (37,000)		\$ (61,000)		\$ (68,000
Cash Funds		\$ (1,300)		\$ (2,500)		\$ (2,700
Federal Funds						
Other Funds		\$ (200)		\$ (400)		\$ (500
Total Funds		\$ (38,500)		\$ (63,900)		\$ (71,200

LB 96 makes the following changes to the agricultural machinery and equipment exemption: Adds twine to the list of property that may be purchased tax-exempt for use in commercial agriculture to bail livestock feed or bedding. Changes the exemption for the purchase of net wrap used in bailing hay to net wrap used in bailing livestock feed or bedding.

Using USDA data on hay production and data on twine pricing and usage, the Department of Revenue estimates the following the reductions in revenue:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$37,000	\$1,300	\$200
FY24-25	\$61,000	\$2,500	\$400
FY25-26	\$68,000	\$2,700	\$500
FY26-27	\$74,000	\$3,000	\$500

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

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

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	25-26 <u>Expenditures</u>
Benefits					•		
Operating Costs					\$0		
Total					\$0		

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LB <sup>(1)</sup> 96				FISCAL NOTE		
State Agency OR P	olitical Subdivision Name: (2)	e: <sup>(2)</sup> Nebraska Department of Transportation				
Prepared by: <sup>(3)</sup>	Liza Alderman	Date Prepared: <sup>(4)</sup>	1/19/23 Phone:	(5) 402-479-4692		
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL SUBDI	VISION		
	FY	2023-24	FY 20	024-25		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNI	DS					
CASH FUNDS		\$(1,300)		\$(2,500)		
FEDERAL FUND	<b>S</b>					
OTHER FUNDS		\$(200)		\$(400)		
TOTAL FUNDS		\$(1,500)		\$(2,900)		

**Explanation of Estimate:** 

LB96 states sales and use tax shall not be imposed on the gross receipts from the sale, lease, or rental of twine purchased for use in commercial agriculture. Twine is described as a strong string of two or more strands twisted together used in the baling of livestock feed or bedding. The operative date of the bill is October 1, 2023.

Revenue to Build Nebraska Act Funds						
	FY2023/24	FY2024/25	FY2025/26	FY2026/27		
State Highway Capital Improvement Fund	\$ (1,300.00)	\$ (2,500.00)	\$ (2,700.00)	\$ (3,000.00)		
Highway Allocation Fund (cities and counties)	\$ (200.00)	\$ (400.00)	\$ (500.00)	\$ (500.00)		
Total	\$ (1,500.00)	\$ (2,900.00)	\$ (3,200.00)	\$ (3,500.00)		

This estimate of decreased tax revenue was obtained from the Nebraska Department of Revenue. The change in the sales tax base will minimally reduce revenues to the Build Nebraska Act funds resulting in less available funding to the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties.

BREAKI	DOWN BY MAJ	OR OBJECTS O	F EXPENDITURE	
Personal Services:				
	NUMBER OF	<b>POSITIONS</b>	2023-24	2024-25
POSITION TITLE	<u>23-24</u>	<u>24-25</u>	EXPENDITURES	<b>EXPENDITURES</b>
Davide				
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				