

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$80,914,000)		(\$125,154,000)
CASH FUNDS	See Below	\$68,777,000	See Below	\$106,381,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	(\$12,137,000)	See Below	(\$18,773,000)

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

LB 479 amends section 77-27,132 to provide that for transactions occurring on or after October 1, 2025 and before July 1, 2042, of the proceeds of the sales and use taxes derived from transactions other than those listed in subdivisions (2)(a), (b), (e) of the section from a sales tax rate of 0.5%, a change from 0.25%, credit monthly 85% to the Highway Trust Fund and 15% to the Highway Allocation Fund.

The Department of Revenue (DOR) estimates the following impact to revenues as a result of the bill:

	General Fund Revenues	Highway Trust Fund	Highway Allocation Fund
FY25-26	\$ (80,914,000)	\$ 68,777,000	\$ 12,137,000
FY26-27	\$ (125,154,000)	\$ 106,381,000	\$ 18,773,000
FY27-28	\$ (129,020,000)	\$ 109,667,000	\$ 19,353,000
FY28-29	\$ (133,080,000)	\$ 113,118,000	\$ 19,962,000

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

The DOR estimates no costs to it as a result of the bill.

The Nebraska Department of Transportation (NDOT) estimates Cash Fund increases that are from the DOR. NDOT notes the increase in revenues would result in more funding available for NDOT highway construction projects, such as for expansion of the expressway system, and to the Highway Allocation Fund for cities and counties.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 479	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 2/26/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 479 and no fiscal impact to the agency.			

Date Due LFO:

Phone: 471-5896

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

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

2025

LB⁽¹⁾ 479

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/24/25 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	See below	\$68,777,000	See below	\$106,381,000
FEDERAL FUNDS				
OTHER FUNDS		\$12,137,000		\$18,773,000
TOTAL FUNDS	See below	\$80,914,000	See below	\$125,154,000

Explanation of Estimate:

As proposed, LB479 would change the distribution of sales and use taxes proceeds for certain transactions from one-quarter of one percent to one-half of one percent beginning October 1, 2025. Credit of the one-half of one percent will continue to be applied at eight five percent to the Nebraska Department of Transportation (NDOT) through the Highway Trust Fund and fifteen percent to cities and counties through the Highway Allocation Fund.

Revenue to Build Nebraska Act Funds				
	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Highway Trust Fund (NDOT)	\$68,777,000	\$106,381,000	\$109,667,000	\$113,118,000
Highway Allocation Fund (cities and counties)	\$12,137,000	\$18,773,000	\$19,353,000	\$19,962,000

This estimate of increased tax revenue is from the Nebraska Department of Revenue. The increase in revenue in Build Nebraska Act Funds will result in more funding available for NDOT highway construction projects, such as for expansion of the expressway system, and to 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>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				