

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		\$748,000		\$1,570,000
CASH FUNDS		\$1,891,000		\$3,961,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$2,639,000		\$5,531,000

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

LB 582 amends the tax upon the net operating revenue of cash devices from 5% to 15%.

The bill also changes the distribution of the tax on cash devices to the following:

- General Fund: 20% (a change from the current 2.5%)
- Charitable Gaming Operations Fund: 5% (a change from the current 20%)
- Compulsive Gamblers Assistance Fund: 2.5% (current percentage)
- Nebraska Tourism Commission Promotional Cash Fund: 0% (a change from the current 10%)
- Property Tax Credit Cash Fund: 17.5% (a change from the current 40%)
- Education Future Fund: 47.5% (currently no distribution to this fund)
- Cities/Counties: 7.5% (a change from the current 25%)

The bill becomes operative on October 1, 2025.

The Department of Revenue (DOR) estimates the following revenue impact to the General Fund, State Cash Funds, and the cash device tax revenues credited to cities/counties as a result of the bill:

	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>
General Fund	\$ 748,000	\$ 1,570,000	\$ 1,648,000	\$ 1,731,000
Charitable Gaming Operations Fund	\$ (60,000)	\$ (136,000)	\$ (143,000)	\$ (150,000)
Compulsive Gamblers Assistance Fund	\$ 65,000	\$ 137,000	\$ 143,000	\$ 151,000
Nebraska Tourism Commission Promotional Cash Fund	\$ (130,000)	\$ (273,000)	\$ (287,000)	\$ (301,000)
Property Tax Credit Cash Fund	\$ 163,000	\$ 342,000	\$ 358,000	\$ 377,000
Education Future Fund	\$ 1,853,000	\$ 3,891,000	\$ 4,086,000	\$ 4,290,000
State Total	\$ 2,639,000	\$ 5,531,000	\$ 5,805,000	\$ 6,098,000
City/County	\$ (33,000)	\$ (69,000)	\$ (72,000)	\$ (76,000)
Overall Total	\$ 2,606,000	\$ 5,462,000	\$ 5,733,000	\$ 6,022,000

The DOR estimates that there will be no cost to implement the bill.

There is no basis to disagree with these estimates.

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

LB: 582	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer
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REVIEWED BY: Ryan Walton	DATE: 1/30/2025	PHONE: (402) 471-4174
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COMMENTS: No basis to disagree with Lancaster County Treasurer's assessment of no fiscal impact from LB 582.
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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 582	AM:	AGENCY/POLT. SUB: Nebraska Tourism Commission
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REVIEWED BY: Ryan Walton	DATE: 1/30/2025	PHONE: (402) 471-4174
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COMMENTS: The Nebraska Tourism Commission's assessment of indeterminate fiscal impact to the agency from LB 582, appears reasonable.
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State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver

Date Prepared: ⁽⁴⁾ Jan. 29, 2025

Phone: ⁽⁵⁾ 402-441-7425

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0		0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0		0	

Explanation of Estimate:

No Fiscal Impact for the County Treasurer’s Office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:		
Approved by: James R. Kamm		Date Prepared: 03/10/2025		Phone: 471-5896		
	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u> <u>Revenue</u>	
General Funds		\$748,000		\$1,570,000		\$1,648,000
Cash Funds		\$1,891,000		\$3,961,000		\$4,157,000
Federal Funds						
Other Funds		\$(33,000)		\$(69,000)		\$(72,000)
Total Funds		\$2,606,000		\$5,462,000		\$5,733,000

LB 582 increases the net operating revenue tax on cash devices operating within the State of Nebraska from five to fifteen percent. It also changes the distribution of the revenues:

	Current Distribution	LB 582 Distribution
General Fund	2.5%	20.0%
Charitable Gaming Operation Fund	20.0%	5.0%
Compulsive Gamblers Assistance Fund	2.5%	2.5%
Nebraska Tourism Commission Promotional Cash Fund	10.0%	0.0%
Property Tax Credit Cash Fund	40.0%	17.5%
Education Future Fund	0.0%	47.5%
Counties & Cities	25.0%	7.5%

The estimated fiscal impact for LB 582 to the General Fund revenues and various cash fund are as follows:

	FY25-26	FY26-27	FY27-28	FY28-29
General Fund	\$ 748,000	\$ 1,570,000	\$ 1,648,000	\$ 1,731,000
Charitable Gaming Operation Fund	\$ (60,000)	\$ (136,000)	\$ (143,000)	\$ (150,000)
Compulsive Gamblers Assistance Fund	\$ 65,000	\$ 137,000	\$ 143,000	\$ 151,000
Nebraska Tourism Commission Promotional Cash Fund	\$ (130,000)	\$ (273,000)	\$ (287,000)	\$ (301,000)
Property Tax Credit Cash Fund	\$ 163,000	\$ 342,000	\$ 358,000	\$ 377,000
Education Future Fund	\$ 1,853,000	\$ 3,891,000	\$ 4,086,000	\$ 4,290,000
Counties & Cities	\$ (33,000)	\$ (69,000)	\$ (72,000)	\$ (76,000)

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.....							

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2025.

2025

FISCAL NOTE

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/30 /2025 Phone: (5) 402.434.5660

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Also, the tax rate for operating revenue for each cash device would change from 5% to 15% with the city/county revenue being reduced from 25% to 7 ½ % either to the city or county depending upon location of the device. The amount of this change is unknown; however, it is likely significant.

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Tourism Commission

Prepared by: ⁽³⁾ John Ricks

Date Prepared: ⁽⁴⁾ 1/28/2025

Phone: ⁽⁵⁾ 402-480-5566

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 582 changes revenue submitted to the Nebraska Tourism Commission Promotional Cash Fund. Revenue from the previous initiating legislation is not scheduled to be distributed to the Tourism Commission until on or after July 1, 2025. The amount of revenue that would be retracted from the Tourism Commission as a result of LB 582 passing is unknown by the Tourism Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				