

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	(9,745,000)	(345,000)	0	0	(10,090,000)
FY2027-2028	(15,056,000)	(609,000)	0	0	(15,665,000)
FY2028-2029	(15,507,000)	(628,000)	0	0	(16,135,000)

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

LB 849 adds a sales and use tax exemption for over-the-counter drugs.

The bill is operative on October 1, 2026.

The Department of Revenue (DOR) estimates the following revenue decreases as a result of the bill:

Fiscal Year	General Fund	Highway Trust Fund	Highway Allocation Fund
FY27	(\$9,745,000)	(\$345,000)	(\$61,000)
FY28	(\$15,056,000)	(\$609,000)	(\$108,000)
FY29	(\$15,507,000)	(\$628,000)	(\$111,000)

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

The DOR estimates minimal costs to it as a result of the bill.

There is no basis to disagree with these estimates.

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

LB: 849      AM:                      AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Ryan Yang                      DATE: 2/17/2025                      PHONE: (402) 471-4178

COMMENTS: The Department of Revenue assessment of fiscal impact from LB 849 appears reasonable.

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

LB: 849      AM:                      AGENCY/POLT. SUB: Nebraska Department of Transportation (NDOT)

REVIEWED BY: Ryan Yang                      DATE: 2/19/2025                      PHONE: (402) 471-4178

COMMENTS: The NDOT assessment of fiscal impact from LB 849 appears reasonable.



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

**2026**

**LB<sup>(1)</sup> 849**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Lily Kathee Date Prepared: <sup>(4)</sup> 2/12/2026 Phone: <sup>(5)</sup> 402-479-4635

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

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$345,000)	_____	(\$609,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	(\$61,000)	_____	(\$108,000)
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>(\$406,000)</b>	<b>=====</b>	<b>(\$717,000)</b>

**Explanation of Estimate:**

Under LB849 as introduced, over-the-counter drugs would become exempt from sales and use tax effective October 1, 2026.

Revenue Impacts to the Build Nebraska Act Funds			
	FY2026-27	FY2027-28	FY2028-29
Highway Trust Fund (NDOT)	(\$345,000)	(\$609,000)	(\$628,000)
Highway Allocation Fund (cities and counties)	(\$61,000)	(\$108,000)	(\$111,000)
<b>Total</b>	<b>(\$406,000)</b>	<b>(\$717,000)</b>	<b>(\$739,000)</b>

This estimate of decreased tax revenue is from the Nebraska Department of Revenue. The decrease in revenue in Build Nebraska Act Funds will result in less 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>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>