

7/11/11

PREPARED BY: Doug Gibbs
DATE PREPARED: January 17, 2011
PHONE: 471-0051

LB 211

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 211 amends a number of Nebraska statutes to harmonize language with the Streamlined Sales and Use Tax Agreement (SSUTA) as it existed on December 31, 2010.

The bill changes the sales tax location of rental and leased motor vehicles from the location on the date the lease or rental agreement is executed (the vehicle is delivered) to the primary property location, which is generally the billing location. This could also cause the sales tax rate to change if the lessee changes address to a location with a different sales tax rate.

LB 211 amends statute to adopt recent changes in the SSUTA to define two different types of direct mail, "advertising and promotional" direct mail and "other direct mail." "Other direct mail" would include billing statements, bank statements and newsletters. The sourcing rules allow each type of direct mail to be sourced according to the delivery information provided to the direct mail provider (seller) by the purchaser of the direct mail. The bill changes the default location for "other direct mail" sourcing to the purchaser's address while "advertising and promotional" material would continue to default to the seller's address (shipping point). The default is only used when the purchaser does not provide the seller with the delivery locations or an exemption certificate stating the purchaser will self-report the use tax on the delivery locations.

LB 211 also amends Section 77-2704.10, which provides a sales and use tax exemption for food sold by various organizations including schools, churches, hospitals, etc. to clarify the statute by replacing the terms "meals" and "food products" with the terms "prepared food" and "food and food ingredients." Those terms are defined under the SSUTA. The bill does not change taxability or exemption.

The bill has an operative date of October 1, 2011.

The Department of Revenue estimates that LB 211 will have no fiscal impact to the General Fund and there is no cost to implement.

There is no basis to disagree with the Department's estimate of impact and cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/18/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: No basis upon which to disagree.					

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JAN 18 2011

LEGISLATIVE

LB 211

Fiscal Note 2011

State Agency Estimate

State Agency Name: Department of Revenue Date Due LFA:
Approved by: Douglas Ewald Date Prepared: 1/6/2011 Phone: 471-5700

Table with columns for FY 2011-2012, FY 2012-2013, and FY 2013-2014, each subdivided into Expenditures and Revenue. Rows include General Funds, Cash Funds, Federal Funds, Other Funds, and Total Funds.

LB 21 changes language to harmonize with the Streamlined Sales and Use Tax Agreement (SSUTA) as it existed on December 31, 2010.

The bill also adopts recent changes in the SSUTA to define two different types of direct mail—"advertising and promotional" material and "other direct mail," such as the printing of billing statements, bank statements and newsletters.

The bill clarifies §77-2704.10, exemptions for meals served by various organizations, by replacing the terms "meals" and "food products" with the terms "prepared food" and "food and food ingredients," terms defined under the SSUTA.

The bill changes the sales tax location of rental and leased motor vehicles from the location on the date the lease or rental agreement is executed to the primary property location, which is generally the billing address.

It is estimated that there will be no fiscal impact to the General Fund for implementing this bill.

It is estimated that there would be no costs to the Department to implement this bill.

This bill has an operative date of October 1, 2011.

Table titled 'Major Objects of Expenditure' with columns for Class Code, Classification Title, and FTE/Expenditures for years 11-12, 12-13, and 13-14. Rows include Benefits, Operating Costs, Travel, Capital Outlay, Aid, Capital Improvements, and Total.