

AGM

PREPARED BY: Doug Gibbs
DATE PREPARED: February 22, 2011
PHONE: 471-0051

LB 489

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	\$30,895		\$33,670	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$30,895		\$33,670	

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

LB 489 amends Nebraska Revised Statutes Sections 77-2711 and 77-27,144.

Section 77-2711, dealing mainly with confidentiality of tax records, is amended to allow a municipality that has the local option sales tax to inspect confidential sales tax records of businesses that have a sales tax permit for locations inside the boundaries of the municipality. The municipality is to certify one person to examine the information and the examination may only be done on the premises of the Department of Revenue. The certified person may not disclose any information obtained from the review of the tax records; if the certified person does disclose the information they shall be guilty of a Class I misdemeanor.

The Department of Revenue estimates administration costs of \$30,895 for FY2011-12, \$33,670 for FY2012-13, and \$35,365 for FY2013-14. This is based on the current requests for information, the amount of time necessary to collect this information, the time necessary to adequately safeguard confidential taxpayer information, and the potential uses that may generate requests. The Department estimates it will require a 1.0 FTE Accounting Clerk II to plan for and assist certified persons with their research. Other costs are expected to be minimal.

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/23/11	PHONE	471-2526
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COMMENTS

DEPARTMENT OF REVENUE: The agency estimate appears reasonable given the assumptions provided. There may be some question in terms of the amount of time necessary to prepare the materials for review and to oversee the actual review times.

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LB 489

Fiscal Note 2011

State Agency Estimate							
State Agency Name: Department of Revenue		Date Due LFA: 1/25/2011					
Approved by: Douglas Ewald		Date Prepared: 2/4/2011		Phone: 471-5700			
		FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$30,895		\$33,670		\$35,365		
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$30,895		\$33,670		\$35,365		

LB 489 allows a municipality that has adopted a local option sales tax to inspect confidential sales tax returns and sales tax return information of businesses that possess a sales tax permit for locations within the boundaries of the requesting municipality. A municipality shall designate (certify) one person to view this information; this designee may only view the information on the premises of the Department of Revenue. The designee may not disclose the information to anyone; any person who does disclose this information shall be guilty of a Class I misdemeanor

The Department does not collect information on business locations within the legal boundaries of municipalities; location addresses for businesses are based on mailing addresses and ZIP codes.

LB 489 will not have a General Fund revenue impact.

Administration costs are based on an assumption that the Department can provide information based on location address, rather than legal boundaries. Based on the number of municipalities who request information about businesses remitting local option sales tax, the amount of time necessary to collect requested information, and to provide adequate safeguarding of confidential taxpayer information, it is estimated that the Department would require 1.0 FTE Accounting Clerk II to plan for and assist the designees with their research. Other programming costs are expected to be minimal.

Major Objects of Expenditure								
Class Code	Classification Title	11-12 FTE	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures	
S19112	Accounting Clerk II	0.75	1.0	1.0	\$19,170	\$26,070	\$26,590	
Benefits.....					6,325	8,600	8,775	
Operating Costs.....								
Travel.....								
Capital Outlay.....					5,400	0	0	
Aid.....								
Capital Improvements.....								
Total.....					\$30,895	\$34,670	\$35,365	