PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 14, 2013 402-471-0051

**LB 282** 

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	3-14	FY 2014-15				
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE				
GENERAL FUNDS		(\$1,343,000)		(\$1,952,000)			
CASH FUNDS		(\$54,000)		(\$75,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$1,397,000)		(\$2,027,000)			

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

LB 282 amends the Nebraska Revenue Act of 1967, Section 77-2704.14 to provide a sales tax exemption for motor vehicle washing and cleaning.

The bill has an operative date of October 1, 2013.

The Department of Revenue has estimated the following fiscal impact as a result of LB 282:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund:	Total:
2013-14:	(\$ 1,343,000)	(\$ 54,000)	(\$ 10,000)	(\$ 1,407,000)
2014-15:	(\$ 1,952,000)	(\$ 75,000)	(\$ 13,000)	(\$ 2,040,000)
2015-16:	(\$ 2,045,000)	(\$ 79,000)	(\$ 14,000)	(\$ 2,138,000)
2016-17:	(\$ 2,141,000)	(\$ 83,000)	(\$ 15,000)	(\$ 2,239,000)

The Department of Revenue indicates the cost to implement LB 282 to be minimal.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

## **IMPACT TO POLITICAL SUBDIVISIONS:**

We estimate the following impact to the Highway Allocation Fund:

FY2013-14: (\$ 10,000) FY2014-15: (\$ 13,000) FY2015-16: (\$ 14,000) FY2016-17: (\$ 15,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 282 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVIEWED BY: Lyn Heaton			DATE: 2/11/2013	PHONE: 402.471.4181		
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.						

## LB 282 Fiscal Note 2013

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFA:	1/24/2013
Approved by: Douglas Ewald		Date Prepared:	1/23/2013		Phone: 471-5896	
FY 201;		<u>3-2014</u>	FY 201	<u>4-2015</u>	FY 20	15-2016
	<u>Expenditures</u>	Revenue	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue
General Funds		(\$1,343,000)		(\$1,952,000)		(\$2,045,000)
Cash Funds		(\$54,000)		(\$75,000)		(\$79,000)
Federal Funds						
Other Funds		(\$10,000)		(\$13,000)		(\$14,000)
Total Funds		(\$1,407,000)		(\$2,040,000)		(\$2,138,000)
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LB 282 would exempt motor vehicle washing and waxing services from sales and use tax.

The bill is expected to have the following fiscal impact:

Fiscal Year	General Fund	State Highway	Highway	Total
		Capital Improvement	Allocation	
		Fund	Fund	
2013-14	(\$1,343,000)	(\$54,000)	(\$10,000)	(\$1,407,000)
2014-15	(\$1,952,000)	(\$75,000)	(\$13,000)	(\$2,040,000)
2015-16	(\$2,045,000)	(\$79,000)	(\$14,000)	(\$2,138,000)
2016-17	(\$2,141,000)	(\$83,000)	(\$15,000)	(\$2,239,000)

It is estimated that Departmental cost to implement the bill is minimal.

The bill becomes operative October 1, 2013.

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures
Benefits							
	Operating Costs.						
Travel							
Capital Outlay							
Aid							
Capital Improvements.							