

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 266 amends the Local Option Revenue Act, to strike certain language allowing increases in the local option sales tax.

The bill strikes language from the Act that would have allowed an incorporated municipality to increase the local option sales tax more than one and one-half percent.

LB 266 also strikes language that required incorporated municipalities to following certain procedures in order to raise the local option sales tax beyond one and one-half percent and how the additional revenue from an increase was to be spent.

In essence, LB 266 repeals the changes made by AM 2712 to LB 357 passed in 2012.

There is no impact to the General Fund as a result of LB 266.

The Department of Revenue indicates that there will be minimal impact to the Municipal Equalization Fund due to the reduction in the administration fee of the sales and use tax of municipalities noted below (Sidney, Alma, Waterloo).

IMPACT TO LOCAL POLITICAL SUBDIVISIONS:

In 2012, the city of Omaha estimated that the increase in the local option sales tax provided for in LB 357 would provide \$29 million in additional net revenue, if the city was to implement a sales tax rate of two percent, assuming voter approval of the increase.

In 2013, the city of Lincoln has estimated an additional \$21.2 million in sales tax revenue, also assuming voter approval of the increase.

The Department of Revenue indicates that the city of Sidney is set to impose a 2% sales and use tax rate as of July 1, 2013; the city of Alma and the village of Waterloo will begin a 2% sales and use tax rate as of April 1, 2013. It is unclear how, LB 266 as written, will effect these municipalities.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 266	AM:	AGENCY/POLT. SUB: Nebraska State Patrol	
REVIEWED BY: Lyn Heaton		DATE: 2/13/2013	PHONE: 402.471.4181
COMMENTS: Concur. No fiscal impact to the State Patrol.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 266	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Lyn Heaton		DATE: 1/23/2013	PHONE: 402.471.4181
COMMENTS: Concur. No fiscal impact to the City of Lincoln.			

2013 Legislative Bill Proposal Fiscal Note

Bill Proposal #: LB 266

State Agency: Nebraska State Patrol

Prepared by: Carol Aversman

Date Prepared: 2/4/2013

Phone: (402)479-4945

Approved by:

Estimate of Fiscal Impact – State Agencies

	FY 2012 - 2013		FY 2013 - 2014		FY 2014 -2015	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

Explanation of Estimate:

No Fiscal Impact.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			2012 - 2013	2013- 2014	2014-2015
	12-13	13-14	14-15	Expenditures	Expenditures	Expenditures
Benefits						
Operating						
Travel						
Capital Outlay						
Aid						
Capital Improvements						
TOTAL						

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

2013

LB(1) 266 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Lincoln

Prepared by: (3) Steve Hubka Date Prepared: (4) 1/18/13 Phone: (5) 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2013-14	2014-15
	13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Lincoln does not currently impose the additional half cent local option sales tax in 77-27,142. An additional half cent would raise roughly in \$21.2 million if it were in place. LB266 would freeze the possible local option sales tax at the current 1.5 cents.

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFA: 02/25/2013

Approved by: Douglas Ewald

Date Prepared: 02/21/2013

Phone: 471-5896

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>		<u>FY 2015-2016</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$0		\$0		\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0

LB 266 prohibits municipalities from imposing a local option sales and use tax rate above 1.5%. In 2012, LB 357 allowed municipalities to increase their local sales and use tax rate to 1.75% or 2.0% under certain circumstances.

Currently, the City of Sidney is set to impose a 2% sales and use tax rate as of July 1, 2013; the City of Alma and the Village of Waterloo will begin a 2% sales and use tax rate as of April 1, 2013.

LB 266 does not have a direct impact on state General Fund sales tax collections.

There will be minimal impact on the Municipal Equalization Fund due to the reduction in the administration fee of the sales and use tax of municipalities listed above.

Major Objects of Expenditure

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

