PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 24, 2014 402-471-0051

LB 1043

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2014-15 FY 2015-16							
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS		(\$442,000)		(\$449,000)				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		(\$442,000)		(\$449,000)				

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

LB 1043 amends Nebraska Revised Statutes Section 76-902 dealing with exemptions from the documentary stamp tax.

The bill provides for an exemption from the documentary stamp tax for deeds transferring property without actual consideration, to a nonprofit organization exempt from federal income tax and that is not a private foundation.

The documentary stamp tax rate is \$2.25 per \$1,000 of value. The tax is divided as follows:

- \$0.95 is credited to the Affordable Housing Trust Fund;
- > \$0.50 is retained by the county;
- > \$0.30 is credited to the Behavioral Health Services Fund;
- \$0.25 is credited to the Homeless Shelter Assistance Fund;
- > \$0.25 is credited to the Site and Building Fund.

The Department of Revenue indicates that, based on an assumption that the new exemption has the same impact as other deeds that are currently exempt, both in terms of use and dollar value of the transactions, the estimated impact of LB 1043 is as follows:

Fiscal Year:	Affordable Housing Trust Fund:	Homeless Shelter Assistance Fund:	Behavioral Health Services Fund:	Site and Building Fund:	County:	Total:
2014-15:	(\$240,000)	(\$63,000)	(\$76,000)	(\$63,000)	(\$126,000)	(\$568,000)
2015-16:	(\$244,000)	(\$64,000)	(\$77,000)	(\$64,000)	(\$129,000)	(\$578,000)
2016-17:	(\$249,000)	(\$66,000)	(\$79,000)	(\$66,000)	(\$131,000)	(\$591,000)

The Department of Revenue indicates no cost to implement the provisions of LB 1043.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to counties as a result of LB 1043:

FY2014-15: (\$126,000) FY2015-16: (\$129,000) FY2016-17: (\$131,000)

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 1043 AM: AGENCY/POLT. SUB: NE Assoc. of County Officials (NACO)						
REVIEWED BY: Lyn Heaton DATE: 2/25/2014 PHONE: 402.471.4181						
COMMENTS: The fiscal impact of the bill is indeterminate as it appears no records are available relative to the frequency						
and dollar amount of	of each of the differen	t forms of the trai	nsactions subject to the document	ary stamp tax.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 1043 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED BY: Ly	PHONE: 402.471.4181					
COMMENTS: The fiscal impact of the bill is indeterminate as it appears no records are available relative to the frequency						
and dollar amount of each of the different forms of the transactions subject to the documentary stamp tax.						

TOTAL.....

LB ⁽¹⁾ 1043			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	Nebraska Asso	ciation of County Offi	cials (NACO)
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/27/2014 Pho	one: (5) 402.434.5660, ext 225
ESTIMATE PROVID	DED BY STATE AGENO	CY OR POLITICAL SUBE	DIVISION
$\mathbf{F}\mathbf{Y}$	2014-1 <u>5</u>	F	Y 2015-16
EXPENDITURES		EXPENDITURES	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS			
Explanation of Estimate:			
fifty cents to be placed in LB 1043 would add an exempt and reduce the amount of mocounty. The overall impact	ion to the docu ney retained by	nmentary stamp to the register o	ax requirements
BREAKI Personal Services:	OOWN BY MAJOR OBJ	ECTS OF EXPENDITUR	E
	UMBER OF POSITION: 14-15 15-16	S 2014-15 EXPENDITURES	2015-16 EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			

		State Agency	Estimate			
State Agency Name: Department	t of Revenue				Date Due LFA:	1/30/2014
Approved by: Kim Conroy		Date Prepared:	1/30/2014		Phone: 471-5896	
	FY 201	<u>4-2015</u>	FY 201	5-2016	FY 20	16-2017
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds		(\$442,000)		(\$449,000)	<u>-</u>	(\$460,000)
Federal Funds						
Other Funds		(\$126,000)		(\$129,000)		(\$131,000)
Total Funds		(\$568,000)		(\$578,000)		(\$591,000)
			-			

LB 1043 would exempt transfers of real property to an I.R.C. § 501(c) (3) organization, that is not a private foundation, from the documentary stamp tax if there was no consideration paid on the transfer.

Currently, the documentary stamp tax rate is \$2.25 per \$1,000 of value. The counties retain \$0.50 from the \$2.25 collected. Twenty-five cents of the remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund, \$0.95 is credited to the Affordable Housing Trust Fund, \$0.30 is credited to the Behavioral Health Services Fund, and \$0.25 is credited to the Site and Building Fund.

Based on an assumption that the new exemption has the same impact as other deeds that are currently exempt, both in terms of use and dollar value of the transaction, the estimated impact of the new exemption is as follows:

	Affordable Housing Trust Fund	Homeless Shelter Assistance Fund	Behavioral Health	Site & Building Fund	County
FY 2014-2015	(\$240,000)	(\$63,000)	(\$76,000)	(\$63,000)	(\$126,000)
FY 2015-2016	(\$244,000)	(\$64,000)	(\$77,000)	(\$64,000)	(\$129,000)
FY 2016-2017	(\$249,000)	(\$66,000)	(\$79,000)	(\$66,000)	(\$131,000)

This estimate is based on the assumption that the exemption takes effect July 1, 2014.

It is estimated that there will be no costs to the Department to implement LB 1043.

Major Objects of Expenditure								
Class Code	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 Expenditures	15-16 Expenditures	16-17 Expenditures	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Aid								
Capital Improvements								