Doug Gibbs January 27, 2014 402-471-0051

LB 809

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2014-15		FY 20	15-16		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		(\$63,000)		(\$96,000)		
CASH FUNDS		(\$195,000)		(\$298,000)		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$258,000)		(\$394,000)		

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

LB 809 amends the Nebraska Revenue Act of 1967.

The bill provides for a sales and use tax exemption for purchases by any historic automobile museum of items which are displayed or held for display and are reasonably related to the general purpose of the museum.

A historic automobile museum is defined as in Section 51-702 and is used to maintain and exhibit a collection of at least two hundred motor vehicles, and was open to the public an average of four or more hours per week during the previous calendar year. A museum in its first year of existence may qualify as a historic museum without complying with the four hours per week requirement.

NOTE: Section 51-702 defines a museum as an institution located in Nebraska and operated by a nonprofit corporation or a public agency, primarily for educational, scientific, historic preservation, or aesthetic purposes, and which owns, borrows, cares for, exhibits, studies, or catalogs property. It includes, but is not limited to, historical societies, historic sites or landmarks, parks, monuments, libraries, and zoos.

The bill has an operative date of October 1, 2014.

The Department of Revenue estimates the following fiscal impact:

Fiscal Year:	General Fund:	Highway Trust Fund:	Highway Capital Improvement Fund:	Highway Allocation Fund (Local):	Total:
2014-15:	(\$ 63,000)	(\$ 192,000)	(\$ 3,000)	(\$ 204,000)	(\$ 462,000)
2015-16:	(\$ 96,000)	(\$ 294,000)	(\$ 4,000)	(\$ 313,000)	(\$ 707,000)
2016-17:	(\$ 98,000)	(\$ 300,000)	(\$ 4,000)	(\$ 319,000)	(\$ 721,000)
2017-18:	(\$ 100,000)	(\$ 306,000)	(\$ 4,000)	(\$ 325,000)	(\$ 735,000)

The Department indicates the cost to implement LB 809 would be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund:

FY2014-15:	(\$ 204,000)
FY2015-16:	(\$ 313,000)
FY2016-17:	(\$ 319,000)
FY2017-18:	(\$ 325,000)

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

Fiscal Note 2014

te Agency Name: Department of Rev	-					
	3			Date Due LFA:	1/20/2014	
proved by: Kim Conroy	Date Prepared:	1/20/2014		Phone: 471-5896		
	FY 2014-2015		FY 2015-2016		FY 2016-2017	
E	ditures Revenue	Expenditures	Revenue	Expenditures	Revenue	
neral Funds	(\$63,000)		(\$96,000)		(\$98,000)	
sh Funds	(\$195,000)		(\$298,000)		(\$304,000)	
leral Funds						
er Funds	(\$204,000)		(\$313,000)		(\$319,000)	
al Funds	(\$462,000)		(\$707,000)		(\$721,000)	
leral Funds	(\$204,000)		(\$313,000)			

LB 809 provides a sales and use tax exemption on purchases of items that are on display, or held for display, by any historic automobile museum and are reasonably related to the general purpose of the historic automobile museum. A historic automobile museum is defined as a museum that is open to the public for at least four hours a week, on average, and is used to maintain and exhibit at least 200 vehicles.

A museum may qualify for the exemption for its first year in existence even if the museum is not open to the public for at least four hours a week.

The estimates below assume that purchases will include those of the museum operators and private individuals who buy cars to loan for display at the museums.

	General Fund	Highway Allocation Fund	Highway Trust Fund	State Highway Capital Improvement Fund	Total
2014-15	(\$63,000)	(\$204,000)	(\$192,000)	(\$3,000)	(\$462,000)
2015-16	(\$96,000)	(\$313,000)	(\$294,000)	(\$4,000)	(\$707,000)
2016-17	(\$98,000)	(\$319,000)	(\$300,000)	(\$4,000)	(\$721,000)
2017-18	(\$100,000)	(\$325,000)	(\$306,000)	(\$4,000)	(\$735,000)

The bill is expected to have the following impact on the following funds:

Departmental cost to implement the bill is expected to be minimal.

The operative date of the bill is October 1, 2014.

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