

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$10,888	\$874,000	\$0	\$1,548,000
CASH FUNDS		\$87,461,000		\$154,914,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$10,888</b>	<b>\$88,335,000</b>	<b>\$0</b>	<b>\$156,462,000</b>

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

LB 256 amends the Nebraska Revenue Act of 1967, Section 77-2701.02, to increase the state sales tax rate from 5.5% to 6.0% beginning October 1, 2015.

The bill also directs that one-half of one percent of sales and use taxes be credited monthly to the Property Tax Credit Cash Fund, also beginning October 1, 2015. Sales and use taxes derived from the sale or lease of motorboats, personal watercraft, all-terrain vehicles, utility-type vehicles, motor vehicles, trailers, and semitrailers are not included in this requirement.

We estimate the following fiscal impact:

Fiscal Year:	Property Tax Credit Cash Fund:	Highway Allocation Fund: (Local)	Game & Parks Commission Capital Maintenance Fund:	General Fund:
2015-16:	\$ 87,361,000	\$ 18,426,000	\$ 100,000	\$ 874,000
2016-17:	\$ 154,789,000	\$ 19,163,000	\$ 125,000	\$ 1,548,000
2017-18:	\$ 161,830,000	\$ 19,236,000	\$ 137,000	\$ 1,618,000
2018-19:	\$ 169,112,000	\$ 19,882,000	\$ 150,000	\$ 1,691,000

The Department of Revenue estimates the following fiscal impact:

Fiscal Year:	Property Tax Credit Cash Fund:	Highway Allocation Fund: (Local)	Highway Cash Fund:	General Fund:
2015-16	\$ 87,361,000	\$ 9,493,000	\$ 8,933,000	\$ 874,000
2016-17	\$ 154,789,000	\$ 9,872,000	\$9,291,000	\$ 1,548,000
2017-18	\$ 161,830,000	\$ 9,910,000	\$ 9,326,000	\$ 1,618,000
2018-19	\$ 169,112,000	\$ 9,728,000	\$ 9,154,000	\$ 1,691,000

The Department of Revenue indicates a cost of \$10,888 for a one-time programming charge paid to the Office of the CIO for mainframe development costs to change the sales tax rate.

We disagree with the Department of Revenue's estimate of fiscal impact as to allocation of revenue to the Highway Cash Fund.

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

IMPACT TO POLITICAL SUBDIVISIONS:

We estimate the following fiscal impact to the Highway Allocation Fund:

FY2015-16:	\$ 18,426,000
FY2016-17:	\$ 19,163,000
FY2017-18:	\$ 19,236,000
FY2018-19:	\$ 19,882,000

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 256	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/19/2015	PHONE: 471-4181
<p>COMMENTS: No basis upon which to disagree with the Department of Revenue's estimate of total additional tax revenue. The distribution of the additional tax revenue would be governed by the bill's amendment to section 77-27,132, which includes the Game and Parks Commission Capital Maintenance Fund, the Highway Trust Fund, the Highway Allocation Fund, the State Highway Capital Improvement Fund, and the Property Tax Credit Cash Fund.</p>		

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 256	AM:	AGENCY/POLT. SUB: Motor Vehicles
REVIEWED BY: Lyn Heaton	DATE: 2/18/2015	PHONE: 471-4181
<p>COMMENTS: Concur. No fiscal impact on the Dept. of Motor Vehicles.</p>		



NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-2016		FY 2016-2017	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$ -	\$ -	\$ -	\$ -

Explanation of Estimate:

No fiscal impact is anticipated.

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2015-2016	FY 2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital Improvements	_____	_____	_____	_____
Total	_____	_____	\$ -	\$ -