

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below	See Below	See Below	See Below
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 200 amends the Nebraska Revenue Act of 1967.

The bill adds new language to the Act to provide that the amount the state collects in sales and use tax in the event that the federal government passes legislation that expands the state's authority to require out-of-state retailers to collect and remit sales and use tax is to be credited to the Property Tax Credit Cash Fund.

The Department of Revenue is to determine the amount so collected in the first twelve months following the date the state begins collecting any additional revenue as a result of federal legislation.

Because the provisions of LB 200 are dependent on the actions of an outside agency which cannot be predicted with any certainty, there is no way to estimate when any fiscal impact would occur.

The Department of Revenue estimates that if the federal law is passed allowing Nebraska to require out-of-state retailers to collect and remit sales tax on purchases made by Nebraska residents, the additional revenue would be approximately \$45-\$60 million of sales tax annually.

The Department of Revenue indicates that implementing the provisions of LB 200 will require a one-time programming charge of \$41,202 paid to the office of the CIO for mainframe development and web development if the federal law is enacted.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 200	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/18/2015	PHONE: 471-4181
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.		

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFA: 2/18/2015
Approved by: Len Sloup		Phone: 471-5896
Date Prepared: 2/18/2015		
<u>FY 2015-2016</u>		<u>FY 2016-2017</u>
<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>
		<u>Revenue</u>
		<u>FY 2017-2018</u>
<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>
		<u>Revenue</u>
General Funds	\$41,202	\$0
Cash Funds	See Below	See Below
Federal Funds		
Other Funds		
Total Funds	\$41,202	\$0
	See Below	See Below

LB 200 requires the Department of Revenue (Department) to determine the amount of additional sales tax revenue collected from out-of-state retailers during the first twelve months following the grant of federal authority that allows the state to require collection of sales tax by out-of-state retailers on purchases made by Nebraska residents. The Department shall certify such amount to the Governor, the Legislature, and the State Treasurer.

LB 200 credits the proceeds of the sales and use taxes derived from collections by out-of-state retailers to the Property Tax Credit Cash Fund.

Assuming that federal law allows the State to require out-of-state retailers to collect and remit sales tax on purchases made by Nebraska residents, the State is projected to collect an additional \$45 to \$60 million of sales tax annually, which will be transferred to the Property Tax Credit Cash Fund.

LB 200 would require a one-time programming charge of \$41,202 paid to the OCIO for mainframe development and web development if the mandates of this bill are required to be implemented as a result of federal legislation.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
	Benefits.....						
	Operating Costs.....				\$41,202	\$0	\$0
	Travel.....						
	Capital Outlay.....						
	Aid.....						
	Capital Improvements.....						
	Total.....				\$41,202	\$0	\$0