PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 03, 2015 402-471-0051

LB 653

Revision: 00

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		(\$1,060,000)		(\$1,127,000)		
CASH FUNDS		(\$43,000)		(\$46,000)		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$1,103,000)		(\$1,173,000)		

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

LB 653 amends the Nebraska Revenue Act of 1967.

The bill provides for a sales tax holiday on the purchase of energy star qualified products used for home or personal use.

The first \$2,500 of the sales price shall be exempt from sales tax for such purchases made beginning at 12:01 a.m. on the first Friday in October and concluding at 12:00 midnight on the first Sunday after the first Friday in October.

Eligible energy star qualified products means products that meet energy efficient guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy and are authorized to carry the energy star label. These products include: dishwashers, clothes washers, air conditioners, ceiling fans, fluorescent light bulbs, dehumidifiers, programmable thermostats, refrigerators, doors, and windows.

The exemption does not apply to purchases of such products for trade, business, or resale.

The bill has an operative date of October 1, 2015.

The Department of Revenue estimates the following fiscal impact of LB 653:

Fiscal Year:	General Fund:	State Highway Capital	Highway Allocation	Total:
		Improvement Fund:	Fund: (Local)	
2015-16:	(\$ 1,060,000)	(\$ 43,000)	(\$ 8,000)	(\$ 1,111,000)
2016-17:	(\$ 1,127,000)	(\$ 46,000)	(\$ 8,000)	(\$ 1,181,000)
2017-18	(\$ 1,193,000)	(\$ 48,000)	(\$ 9,000)	(\$ 1,250,000)
2018-19:	(\$ 1,241,000)	(\$ 50,000)	(\$ 9,000)	(\$ 1,300,000)

The Department of Revenue indicates the cost to implement LB 653 will be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The fiscal impact to the Highway Allocation Fund is as follows:

FY2015-16: (\$ 8,000) FY2016-17: (\$ 8,000) FY2017-18: (\$ 9,000) FY2018-19: (\$ 9,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 653 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVIEWED BY: Lyn Heaton			DATE: 3/4/2015	PHONE: 471-4181		
COMMENTS: No basis upon which to disagree with the Department of Revenue analysis.						

LB 653 Fiscal Note 2015

		State Agency	Estimate				
State Agency Name: Departmer	nt of Revenue				Date Due LFA:	3/4/2015	
Approved by: Len Sloup		Date Prepared:	3/4/2015		Phone: 471-5896		
F		5-201 <u>6</u>	FY 2016-2017 FY		FY 20	2017-2018	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		(\$1,060,000)		(\$1,127,000)		(\$1,193,000)	
Cash Funds		(\$43,000)		(\$46,000)		(\$48,000)	
Federal Funds							
Other Funds		(\$8,000)		(\$8,000)		(\$9,000)	
Total Funds		(\$1,111,000)		(\$1,181,000)		(\$1,250,000)	
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LB 653 provides a sales and use tax holiday on the first \$2,500 of purchases of Energy Star qualified products used for noncommercial home or personal use between the first Friday in October and the first Sunday after the first Friday in October.

An Energy Star qualified product is defined as any dishwasher, clothes washer, air conditioner, ceiling fan, fluorescent light bulb, dehumidifier, programmable thermostat, refrigerator, door, or window that meets the energy efficiency guidelines set by the United States Environmental Protection Agency and the United States Department of Energy and is authorized to carry the Energy Star label.

LB 653 is expected to reduce revenue to the following funds by the amounts below:

Fiscal Year	General Fund	State Highway	Highway Allocation	Total
		Capital	Fund	
		Improvement Fund		
2015-16	\$1,060,000	\$43,000	\$8,000	\$1,111,000
2016-17	\$1,127,000	\$46,000	\$8,000	\$1,181,000
2017-18	\$1,193,000	\$48,000	\$9,000	\$1,250,000
2018-19	\$1,241,000	\$50,000	\$9,000	\$1,300,000

Departmental cost to implement LB 653 is expected to be minimal.

The bill becomes operative October 1, 2015.

Major Objects of Expenditure							
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures
Travel							
A 1.1							
	nts						
Total		•••••		•••••			