

PREPARED BY: Doug Gibbs
 DATE PREPARED: January 19, 2016
 PHONE: 402-471-0051

LB 775

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

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

LB 775 amends Nebraska Revised Statutes Sections 77-120, 77-201, and 77-202.

Section 77-120 is amended to provide that the percentage for year one used to determine Nebraska net book value of personal property for taxation purposes is January 1 of the year in which the property is placed in service instead of January 1 of the year of acquisition.

Sections 77-201 and 77-201 are amended to include trailers and semitrailers as tangible personal property exempt from personal property taxation.

The bill contains the emergency clause and has an operative date of January 1, 2016.

The Department of Revenue estimates that LB 775 will have no fiscal impact to the State's General Fund revenue.

The Department also indicates that there will be no cost to the Department to implement the provisions of LB 775.

We somewhat disagree with the Department of Revenue's estimate of fiscal impact to the General Fund. A reduction of revenue from the personal property tax on the local level will have an impact on school district resources which could result in an increase in state aid under TEEOSA, and therefore an additional expenditure from the General Fund. While we believe the impact will be minimal, at this time we are unable to estimate the total impact.

We agree with the Department's estimate of cost to implement.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 775	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 1/19/2016	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 775	AM:	AGENCY/POLT. SUB: Dept. of Roads	
REVIEWED BY: Lyn Heaton		DATE: 1/19/2016	PHONE: 471-4181
COMMENTS: Concur. No fiscal impact on the Department of Roads.			

Total.....

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Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 775

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Roads

Prepared by: ⁽³⁾ Becky Fleming

Date Prepared: ⁽⁴⁾ 1/11/16

Phone: ⁽⁵⁾ (402) 479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 775 Changes property tax provisions relating to motor vehicles. This bill amends section 77-120 when determining the net book value of property for taxation. The percent shown for year one shall be the percent used for January 1 of the year following the year the property is ***placed in service*** and not the year of ***acquisition***.

No fiscal impact is anticipated for the Department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____