

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		10,200,000		14,400,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		10,200,000		14,400,000

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 758 increases the 10.5¢ motor fuel tax distributed to the Department of Roads, cities and counties to 11.5¢; increases the 2¢ fuel tax distributed to cities and counties to 4¢; and changes the distribution of .5% of the current sales tax on motor vehicles from the Highway Allocation Fund (distributed to cities and counties) to the Highway Trust Fund (distributed to Roads, cities and counties). The effect of these changes is to increase revenue to the Department of Roads by \$14.4 million, and increase revenue distributed to cities and counties by \$10.8 million each on an annual basis. See the following table.

	Change In Annual Revenue (millions)		
	Dept. of Roads	Cities	Counties
Increase 10.5¢ fuel tax to 11.5¢	6.4	2.8	2.8
Increase 2¢ fuel tax to 4¢		12	12
Redistribute .5% motor vehicle sales tax	8	(4)	(4)
<u>Total Net Revenue Change</u>	<u>14.4</u>	<u>10.8</u>	<u>10.8</u>

With an effective date of October 1, 2008, the partial year impact for FY2008-09 is estimated to be \$10.2 million for the Department of Roads, \$6.9 million for cities, and \$6.9 million for counties.

In regards to the additional revenue received by the Department of Roads, it is the Legislature's prerogative to have the additional revenue reduce the variable fuel tax by approximately .8¢ to 1.2¢, or keep the fuel tax at the same level and allow the Department to spend the additional revenue. This can be controlled by the A-bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/29/08	PHONE	471-2526
COMMENTS					
DEPARTMENT OF ROADS – The agency analysis appears reasonable.					