

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 456 amends sales and use tax provisions Nebraska Revenue Act of 1967. The bill amends the definition of “manufacturing machinery and equipment” for purposes of the act. Sales and use tax are not imposed on the gross receipts from the sale, lease, or rental of manufacturing machinery or equipment.

The bill adds machinery or equipment used to produce electricity for sale by using renewable energy, including machinery to store electricity. The source of renewable energy includes, but is not limited to wind, solar, geothermal, hydroelectric, biomass, and transmutation of elements.

The operative date of the bill is October 1, 2019.

Revenue:

The Department of Revenue estimates any reduction in revenue as a result of the provisions of LB 456 to be minimal because the exemption would only apply to machinery or equipment purchased by an entity manufacturing a product other than electricity that also has a renewable energy generation system.

The definition of manufacturing in section 77-2701.46 specifically excludes the generation or transmission of electricity from the definition of manufacturing, and as such, there is no basis to disagree with the department’s estimate of fiscal impact.

Expenditures:

The department estimates minimal cost to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 456	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 3/12/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Revenue’s assessment of minimal fiscal impact to the General Fund.			

