PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 23, 2022 402-471-0059

LB 941

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
FY 2022-23 FY 2023-24								
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS		(\$241,000)		(\$376,000)				
CASH FUNDS		(\$9,000)		(\$15,000)				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		(\$250,000)		(\$391,000)				

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

LB 941 amends provisions related to the exemption of sales and use taxes. The bill defines "net wrap" as plastic wrap used in the baling of hay and provides for a sales and use tax exemption on the gross receipts from the sale, lease, or rental of net wrap used in commercial agriculture.

The operative date of the bill is October 1, 2022.

The Department of Revenue estimates the impact as follows:

	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY22-23	(\$241,000)	(\$9,000)	(\$2,000)
FY23-24	(\$376,000)	(\$15,000)	(\$3,000)
FY24-25	(\$390,000)	(\$16,000)	(\$3,000)
FY25-26	(\$405,000)	(\$16,000)	(\$3,000)

There will be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The department estimates minimal costs to implement the bill. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 941 AM: AGENCY/POLT. SUB: Department of Revenue							
REVIEWED BY: Neil Sullivan DATE: 2/22/2022 PHONE: (402) 471-4179							
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 941 appears reasonable.							

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 941 AM: AGENCY/POLT. SUB: Department of Transportation						
REVIEWED E	BY: Neil Sullivan	DATE: 2/22/2022	PHONE: (402) 471-4179			
COMMENTS: The Department of Transportation assessment of fiscal impact from LB 941 appears reasonable.						

LB 941 Fiscal Note 2022

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	2/22/2022		Phone: 471-5896	
	FY 2022	2-2023	FY 2023	3-2024	FY 2024	1-202 <u>5</u>
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ (241,000)		\$ (376,000)		\$ (390,000)
Cash Funds		\$ (9,000)		\$ (15,000)		\$ (16,000)
Federal Funds						
Other Funds		\$ (2,000)		\$ (3,000)		\$ (3,000)
Total Funds		\$ (252,000)		\$ (394,000)		\$ (409,000)

LB 941 amends Neb. Rev. Stat. § 77-2704.36 to provide a sales and use tax exemption for net wrap purchased for use in commercial agriculture; to provide an operative date; and to repeal the original section.

The bill also adds language defining net wrap as plastic wrap used in the baling of hay.

The Department of Revenue (DOR) utilized data from the U.S. Department of Agriculture on Nebraska hay production to estimate the fiscal impact as follows:

Fiscal Year	General Fund	State Highway Capital Improvement Fund		Highway Allocation Fund		
FY22-23	\$ (241,000)	\$	(9,000)	\$	(2,000)	
FY23-24	\$ (376,000)	\$	(15,000)	\$	(3,000)	
FY24-25	\$ (390,000)	\$	(16,000)	\$	(3,000)	
FY25-26	\$ (405,000)	\$	(16,000)	\$	(3,000)	

It is estimated that there will be minimal costs to the Department to implement this bill.

The operative date for this bill is October 1, 2022.

Major Objects of Expenditure								
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures	
Operating Costs								
Travel								
Capital Outlay								
	Capital Improvements.							
Total								

Aid.....

Capital improvements.....

TOTAL.....

LB ⁽¹⁾ 941						FISCAL NOTE
State Agency OR I	Political Subdivision Name:	Nebraska	Departn	nent of	Transportation	
Prepared by: (3)	Jenessa Boynton	Date Pre	pared: ⁽⁴⁾	2/7/202	Phor	ne: (5) 402-479-4691
	ESTIMATE PRO	OVIDED BY STA	TE AGEN	CY OR I	POLITICAL SUBI	DIVISION
	<u>EXPENDITUE</u>	<u>FY 2022-23</u> RES <u>REV</u>	<u>'ENUE</u>	<u>E</u> 2	<u>FY</u> XPENDITURES	<u>2023-24</u> <u>REVENUE</u>
GENERAL FUN	DS	<u> </u>				
CASH FUNDS		\$(9	9,000)	. <u> </u>		\$(15,000)
FEDERAL FUN	DS			_		
OTHER FUNDS		\$(2	2,000)			\$(3,000)
TOTAL FUNDS		\$(1	1,000)			\$(18,000)
	erative date of the bill		22.	•	·	wrap used in the baling
		FY2022/23	FY202	3/24	FY2024/25	FY2025/26
	oital Improvement Fund	(\$9,000)		\$15,000)	(\$16,000)	(\$16,000)
	n Fund (cities and counties)	(\$2,000)			(\$3,000)	(\$3,000)
Total		(\$11,000)	(:	\$18,000)	(\$19,000)	(\$19,000)
the sales tax ba		nues to the Build	d Nebrasi	κα Act fι	unds resulting in	evenue. The change in less available funding to und for cities and
		OWN BY MAJOR	R OBJECT	S OF EX	<u> </u>	
Personal Service	<u>s:</u>	NUMBER OF PO	OSITIONS	3	2022-23	2023-24
POSIT	TION TITLE	22-23	<u>23-24</u>		XPENDITURES	EXPENDITURES
				-		
Benefits				_		
_				_		
Capital outlay				_		