John Wiemer February 8, 2023 402-471-0051

## LB 300

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	23-24	FY 20	24-25			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$300,000)		(\$464,000)			
CASH FUNDS		(\$10,600)		(\$18,800)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$310,600)		(\$482,800)			

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

LB 300 seeks to make nonprofit organizations certified or contracted by a regional behavioral health authority or the Division of Behavioral Health of the Department of Health and Human Services to provide community-based mental health or substance use services exempt from sales and use taxes.

The Department of Revenue (DOR) estimates the following reductions to revenue as a result of this bill:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$300,000	\$10,600	\$1,900
FY24-25	\$464,000	\$18,800	\$3,300
FY25-26	\$477,000	\$19,300	\$3,400
FY26-27	\$492,000	\$19,900	\$3,500

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

The DOR 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: 300 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED E	BY: Neil Sullivan	DATE: 2/7/2023	PHONE: (402) 471-4179			
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 300 appears reasonable.						

State Agency Name: Departmen	t of Revenue			]	Date Due LFO:	
Approved by: Glen White		Date Prepared:	02/07/2023	]	Phone: 471-5654	
	<u>FY 202.</u>	3-2024	FY 2024	-2025	FY 202	5-2026
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$300,000)		(\$464,000)		(\$477,000
Cash Funds		(\$10,600)		(\$18,800)		(\$19,300
Federal Funds						
Other Funds		(\$1,900)		(\$3,300)		(\$3,400
Total Funds		(\$312,500)		(\$486,100)		(\$499,700

LB 300 expands a sales tax exemption. It amends sections §77-2704.12 to include an additional organization to be recognized as a nonprofit organization. The definition will now include "any nonprofit organization certified or contracted by a regional behavioral health authority or the Division of Behavioral Health of the Department of Health and Human Services to provide community-based mental health or substance use services."

Using data on nonprofits from the IRS, U.S. Census Bureau, and Bureau of Economic Analysis, the Department of Revenue(DOR) estimates the following reductions in revenue:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY23-24	\$300,000	\$10,600	\$1,900
FY24-25	\$464,000	\$18,800	\$3,300
FY25-26	\$477,000	\$19,300	\$3,400
FY26-27	\$492,000	\$19,900	\$3,500

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

The operative date for this bill is October 1<sup>st</sup>, 2023.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	25-26 Expenditures
Benefits							
Operating Costs					\$0		
Total					\$0		

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB <sup>(1)</sup> 300					FISCAL NOTE		
State Agency OR Po	olitical Subdivision Name: <sup>(2)</sup>	Nebraska Department of Transportation					
Prepared by: <sup>(3)</sup>	Liza Alderman	Date Prepared: <sup>(4)</sup>	2/7/23	Phone: <sup>(5)</sup>	402-479-4692		
	ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL	<u>SUBDIVIS</u>	ION		
	FY 2	2023-24		FY 2024	-25		
	<b>EXPENDITURES</b>	REVENUE	<u>EXPENDITUR</u>	RES	REVENUE		
GENERAL FUND	DS						
CASH FUNDS		(\$10,600)			(\$18,800)		
FEDERAL FUND	S						
OTHER FUNDS		(\$1,900)			(\$3,300)		
TOTAL FUNDS		(\$12,500)			(\$22,100)		

## Explanation of Estimate:

LB 300 proposes a sales and use tax exemption for any nonprofit organization certified or contracted by a regional behavioral health authority or the Division of Behavioral Health of the Department of Health and Human Services to provide community-based mental health or substance use services. The operative date of the bill is October 1, 2023.

Revenue to Build Nebraska Act Funds						
FY2023/24 FY2024-25 FY2025-26 FY2026-27						
State Highway Capital Improvement Fund	(\$10,600)	(\$18,800)	(\$19,300)	(\$19,900)		
Highway Allocation Fund (cities and counties)	(\$1,900)	(\$3,300)	(\$3,400)	(\$3,500)		

This estimate of decreased tax revenue is from the Nebraska Department of Revenue. The change in the sales tax base will minimally reduce revenues to the Build Nebraska Act Funds resulting in less available funding to the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties.

BREAKI	DOWN BY MAJ	OR OBJECTS O	F EXPENDITURE	
Personal Services:				
	NUMBER OF	POSITIONS	2023-24	2024-25
POSITION TITLE	<u>23-24</u> <u>24-25</u>		<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
D C.t.	·	<u> </u>		
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				