

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$479,000		\$741,000
CASH FUNDS		\$19,000		\$30,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$498,000		\$771,000

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

LB 208 adds to section 77-2708(1)(d) if a model 1 seller's sales and use tax functions are performed by a certified service provider and the certified service provider is compensated pursuant to the streamlined sales and use tax agreement (SSUTA) for performing such functions, then the model 1 seller shall not receive any collection fees that are specified in this subdivision.

The bill adds "any other person" to be included in confidentiality requirements regarding sales tax.

Under the bill, the SSUTA is updated to include amendments through December 31, 2024.

LB 208 adds that there shall be allowed to qualified resident individuals against the income imposed by the Nebraska Revenue Act of 1967 a refundable credit as provided in section 77-2703 for individuals who qualify for an income tax credit under the Child Care Tax Credit Act for all taxable years beginning on or after January 1, 2024, a change from all individuals.

LB 208 adds that for purposes of the SSUTA, the database that assigns zip codes shall apply the lowest combined tax rate imposed in the nine-digit zip code area if the area includes more than one tax rate in any level of taxing jurisdictions, and the database shall apply the highest combined tax rate imposed in the five-digit zip code area if the area includes more than one tax rate in any level of taxing jurisdictions.

LB 208 amends how credits are pro-rated when the credit limit is reached regarding the food donation credit and the Nebraska Biodiesel Tax Credit.

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

	General Fund Revenues	Highway Trust Fund	Highway Allocation Fund
FY25-26	479,000	19,000	3,000
FY26-27	741,000	30,000	5,000
FY27-28	763,000	31,000	5,000
FY28-29	786,000	32,000	6,000

There is estimated to be a revenue increase to the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The DOR also estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates by the DOR.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 208 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Ryan Yang DATE: 1/22/2025 PHONE: (402) 471-4178

COMMENTS: The Department of Revenue assessment of fiscal impact from LB 208 appears reasonable.

It is estimated that this bill will have the following impact on General Fund revenues:

	General Fund Revenues	Highway Trust Fund	Highway Allocation Fund
FY25-26	479,000	19,000	3,000
FY26-27	741,000	30,000	5,000
FY27-28	763,000	31,000	5,000
FY28-29	786,000	32,000	6,000

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

The operative date for this bill is three months after adjournment of the Legislature.