

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		\$748,000		\$1,570,000
CASH FUNDS		\$1,891,000		\$3,961,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$2,639,000		\$5,531,000

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

LB 582 amends the tax upon the net operating revenue of cash devices from 5% to 15%.

The bill also changes the distribution of the tax on cash devices to the following:

- General Fund: 20% (a change from the current 2.5%)
- Charitable Gaming Operations Fund: 5% (a change from the current 20%)
- Compulsive Gamblers Assistance Fund: 2.5% (current percentage)
- Nebraska Tourism Commission Promotional Cash Fund: 0% (a change from the current 10%)
- Property Tax Credit Cash Fund: 17.5% (a change from the current 40%)
- Education Future Fund: 47.5% (currently no distribution to this fund)
- Cities/Counties: 7.5% (a change from the current 25%)

The bill becomes operative on October 1, 2025.

The Department of Revenue (DOR) estimates the following revenue impact to the General Fund, State Cash Funds, and the cash device tax revenues credited to cities/counties as a result of the bill:

	<i>FY26</i>	<i>FY27</i>	<i>FY28</i>	<i>FY29</i>
General Fund	\$ 748,000	\$ 1,570,000	\$ 1,648,000	\$ 1,731,000
Charitable Gaming Operations Fund	\$ (60,000)	\$ (136,000)	\$ (143,000)	\$ (150,000)
Compulsive Gamblers Assistance Fund	\$ 65,000	\$ 137,000	\$ 143,000	\$ 151,000
Nebraska Tourism Commission Promotional Cash Fund	\$ (130,000)	\$ (273,000)	\$ (287,000)	\$ (301,000)
Property Tax Credit Cash Fund	\$ 163,000	\$ 342,000	\$ 358,000	\$ 377,000
Education Future Fund	\$ 1,853,000	\$ 3,891,000	\$ 4,086,000	\$ 4,290,000
State Total	\$ 2,639,000	\$ 5,531,000	\$ 5,805,000	\$ 6,098,000
City/County	\$ (33,000)	\$ (69,000)	\$ (72,000)	\$ (76,000)
Overall Total	\$ 2,606,000	\$ 5,462,000	\$ 5,733,000	\$ 6,022,000

The DOR estimates that there will be no cost 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: 582 AM: AGENCY/POLT. SUB: Lancaster County Treasurer

REVIEWED BY: Ryan Walton DATE: 1/30/2025 PHONE: (402) 471-4174

COMMENTS: No basis to disagree with Lancaster County Treasurer's assessment of no fiscal impact from LB 582.

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

LB: 582 AM: AGENCY/POLT. SUB: Nebraska Tourism Commission

REVIEWED BY: Ryan Walton DATE: 1/30/2025 PHONE: (402) 471-4174

COMMENTS: The Nebraska Tourism Commission's assessment of indeterminate fiscal impact to the agency from LB 582, appears reasonable.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2025.

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 582

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/30 /2025 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The tax imposed on cash devices under the Mechanical Amusement Tax Act would be reduced from 25 % to 7 ½ % transferred to the counties.

Based on projections in a former fiscal note derived from the Department of Revenue, if the category of county/city/village would receive \$500,000 in 2025-26 and \$683,000 in 2026-27, then this same category would experience a reduction of \$350,000 in 2025-26 and a reduction of \$478,100 in 2026-27. However, we do not know the amount specific to county, city, and village.

Also, the tax rate for operating revenue for each cash device would change from 5% to 15% with the city/county revenue being reduced from 25% to 7 ½ % either to the city or county depending upon location of the device. The amount of this change is unknown; however, it is likely significant.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 582

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Tourism Commission

Prepared by: ⁽³⁾ John Ricks Date Prepared: ⁽⁴⁾ 1/28/2025 Phone: ⁽⁵⁾ 402-480-5566

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 582 changes revenue submitted to the Nebraska Tourism Commission Promotional Cash Fund. Revenue from the previous initiating legislation is not scheduled to be distributed to the Tourism Commission until on or after July 1, 2025. The amount of revenue that would be retracted from the Tourism Commission as a result of LB 582 passing is unknown by the Tourism Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____