

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$11,700	(See Below)		(See Below)
CASH FUNDS				
FEDERAL FUNDS				
TRUST FUNDS		See Below		See Below
TOTAL FUNDS	\$11,700			

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 582 establishes the Nebraska Educational Trust for Economic Growth to provide funds for the support of high quality public schools. Proceeds from the sales and use tax on Internet sales from non-nexus registrants are to be dedicated and appropriated to the trust. The trust is to be appropriated to the State Department of Education (NDE) when the trust balance reaches \$25 million.

Funds may be expended for: workforce training program grants; early childhood teacher student loan forgiveness; research and development grants to establish teacher salary incentives and alternative teacher salary schedules; equalization aid for teacher salary equity; or to replace state aid when actual state revenue is lower than projections. The operative date of the bill is June 20, 2007.

The Department of Revenue projects a one-time general fund impact of \$11,700 for computer programming to implement the bill. In the first year of operation (Sept. 2005 – Aug 2006) of the streamlined sales tax system the state received about \$5.7 million. The department is unable to determine the exact amount of revenue that will be diverted to the trust fund because there is currently no method to determine which filers registered in the streamlined sales tax system have a presence in the state (nexus) and which do not have nexus. There would be an undetermined fiscal impact for the department to audit each filer to determine nexus. Any revenue diverted to the trust fund will decrease revenue to the General Fund by a like amount. It is possible that revenue from the trust may be used in place of general funds for state aid or other education related purposes in the future.