

PREPARED BY: Doug Gibbs
 DATE PREPARED: March 02, 2009
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LB 65

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0	(\$7,400,000)	\$0	(\$10,100,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	(\$7,400,000)	\$0	(\$10,100,000)

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

LB 65 would exempt from sales and use tax the sale, lease, or rental of repair or replacement parts for agricultural machinery or equipment used in commercial agriculture. The bill has an operative date of October 1, 2009.

The bill would sunset the current refund of sales and use tax for repairs or parts for agricultural machinery or equipment used in commercial agriculture on October 1, 2009. Purchases made before that date would be eligible for the current refund.

The Department of Revenue estimates the following fiscal impact:

FY2009-10: (\$ 7,400,000)
 FY2010-11: (\$10,100,000)
 FY2011-12: (\$10,300,000)
 FY2012-13: (\$10,500,000)

The Department of Revenue estimates the cost to implement LB 65 would be minimal.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost to implement.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the fiscal impact to political subdivisions that impose the local option sales tax to total approximately (\$1,000,000).

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/3/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: No basis upon which to disagree.					