

PREPARED BY: Doug Gibbs
 DATE PREPARED: May 08, 2009
 PHONE: 471-0051

Revision: 01

Revised due to adoption of AM709 and AM1217.

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 | (\$158,400) | \$0 | (\$232,100) |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$0 | (\$158,400) | \$0 | (\$232,000) |

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

LB 9, as amended by AM709, adds wood and corn when used as fuel to the list of energy sources that are exempt from sales and use tax when more than 50% of the amount purchased is for use in irrigation or farming, used directly in manufacturing, refining, processing, the generation of electricity, or use by a hospital. AM709 removed biofuel as an energy source that would be exempt from sales and use tax from the bill.

The Department of Revenue estimates the fiscal impact of LB 9, as amended by AM709, as follows:

FY2009-10: (\$36,400)
 FY2010-11: (\$38,100)
 FY2011-12: (\$39,900)
 FY2012-13: (\$41,900)

LB 9, as amended by AM1217, would exempt mineral oil from sales and use taxes when it is applied to grain as a dust suppressant. AM 1217 incorporates the provisions of LB 233.

Based on industry and USDA data, the Department of Revenue estimates that LB 9, as amended by AM1217, will have the following fiscal impact:

FY2009-10: (\$122,000)
 FY2010-11: (\$194,000)
 FY2011-12: (\$225,000)
 FY2012-13: (\$251,000)

It is estimated that the cost to implement the bill by the Department of Revenue will be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

There may be some impact to those political subdivisions collecting the local option sales tax but the specific impact is indeterminate.