PREPARED BY: John Wiemer
DATE PREPARED: February 23, 2026
EMAIL: jwiemer@leg.ne.gov

LB 901

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	SEE BELOW	SEE BELOW	0	0	SEE BELOW
FY2028-2029	SEE BELOW	SEE BELOW	0	0	SEE BELOW

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

LB 901 provides that commencing July 1, 2027, the rate of the sales tax levied pursuant to section 77-2703 shall be XX percent.

The bill also amends section 77-27,132 to credit to the Highway Trust Fund all of the proceeds of the sales and use taxes derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers, except that the proceeds equal to any sales tax rate provided for in section 77-2701.02 that is in excess of XX percent derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers shall be credited to the Highway Allocation Fund.

The bill is operative on July 1, 2027.

The Department of Revenue (DOR) estimates an indeterminate impact to General Fund revenues. This impact would depend on the change in sales tax rate.

The DOR also estimates unknown costs to it as a result of the bill.

The Nebraska Department of Transportation (NDOT) estimates that a change in the sales tax rate under the bill would impact the Highway Trust Fund and Aeronautics Capital Improvement Fund. NDOT notes that without a new rate being specified in the bill, the overall fiscal impact is indeterminable at this point.

Any changes to sales tax rates made as a result of the bill would also impact the Game and Parks Commission Capital Maintenance Fund and could also impact the Highway Allocation Fund, which is distributed to cities and counties.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 901	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue (NDOR)	
REVIEWED BY: Ryan Yang		DATE: 2/23/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the NDOR assessment of indeterminate fiscal impact from the current version of LB 901.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 901	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation (NDOT)	
REVIEWED BY: Ryan Yang		DATE: 1/16/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the NDOT assessment of indeterminate fiscal impact from the current version of LB 901.			

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2026

LB(1) 901

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Transportation (NDOT)

Prepared by: (3) Lily Kathee Date Prepared: (4) 1/15/2026 Phone: (5) 402-479-4635

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB901 appears to be a placeholder bill and amends the sales tax rate from the current 5.5% to “xx percent” beginning July 1, 2027. In addition, the bill changes the sales tax distribution to the Highway Allocation Fund on motor vehicles sales and leases for periods of more than 31 days from the amount generated from any rate in excess of 5% to the amount generated from any rate in excess of “xx percent”.

When a change to the sales tax rate is determined and identified in the bill, the change in the rate will affect the revenue to the Highway Trust Fund (motor vehicle sales) and Aeronautics Capital Improvement Fund (aircraft sales). Without a new rate being specified in the bill, the overall fiscal impact is undeterminable at this point.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 26-27	NUMBER OF POSITIONS 27-28	2026-27 EXPENDITURES	2027-28 EXPENDITURES
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

LB 0901 Fiscal Note 2026

State Agency Estimate

State Agency Name: Department of Revenue | Date Due LFO:

Approved by: James R. Kamm | Date Prepared: 02/20/2026 | Phone: 471-5896

	FY 2026-2027		FY 2027-2028		FY 2028-2029	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	Indeterminable	Indeterminable		Indeterminable		Indeterminable
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	Indeterminable	Indeterminable		Indeterminable		Indeterminable

LB 901 amends section 77-2701.02 to change the state sales tax rate from 5.5% to xx%, beginning July 1, 2027.

The fiscal impact to General Fund revenues is unknown due to unknown rate beginning July 1, 2027.

The cost to the Department of Revenue to implement LB 901 is also unknown.

Major Objects of Expenditure

Class Code	Classification Title	26-27 FTE	27-28 FTE	28-29 FTE	26-27 Expenditures	27-28 Expenditures	28-29 Expenditures
Benefits……							
Operating Costs……							
Travel……							
Capital Outlay……							
Capital Improvements……							
Total……							