

PREPARED BY: Doug Gibbs
 DATE PREPARED: March 02, 2009
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LB 57

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 57 would exempt the sale of repairs and parts for agricultural machinery or equipment used in commercial agriculture from the sales or use tax. The bill has an operative date of October 1, 2009.

The bill would sunset the current sales and use tax refund for repairs or parts for agricultural machinery or equipment used in commercial agriculture on October 1, 2009.

Technical Note: As the bill is drafted, it provides that no sales or use tax refunds are to be issued effective October 1, 2009. Therefore, claims for refunds filed after October 1, 2009 would be denied even if purchases were made before October 1, 2009.

The Department of Revenue estimates the following fiscal impact of LB 57:

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 57 to 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.			