

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	72,400	0	0	0	72,400
FY2027-2028	69,400	0	0	0	69,400
FY2028-2029	71,600	0	0	0	71,600
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

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

LB1104 amends §60-362 to provide both the Nebraska Department of Motor Vehicles (DMV) and the Nebraska Department of Revenue (NDOR) the power to decide if a resident owner of a motor vehicle or trailer is trying to avoid motor vehicle taxes, motor vehicle fees, or registration fees, or sales and use taxes. The agencies may make this determination by examining whether a vehicle owner has property or files income tax in another state where the vehicle is registered. Additionally, the DMV and NDOR may find that a motor vehicle or trailer has been kept in Nebraska for over thirty days, and was initially purchased, operated, stored by a Nebraska resident, thus making a determination on "situs" in the state. There is a rebuttable presumption that the Nebraska resident is the actual motor vehicle or trailer owner, who is responsible for the motor vehicle taxes, motor vehicle fees, registration fees, and sales and use taxes. LB1104 requires the DMV or NDOR notify the Nebraska resident that they are required to register and pay these taxes and fees within 30 days of the notice delivery. This bill establishes that if the DMV sends the notice, then the appeal must be made with the DMV; whereas, if NDOR sends the notice the appeal must be made to NDOR. Any Nebraska resident sent a notice of determination, who does not pay the fees and taxes owed, then they will be assessed a late fee of 50% to be credited to the Highway Trust Fund.

This bill would become effective three calendar months after the adjournment of the Legislature.

Expenditures:

The NDOR has indicated this bill would require the agency to hire one FTE Fiscal Compliance Analyst for implementation of this bill. The estimated salary and benefits, and capital outlay would be as follows: \$72,400 General Funds in FY2026-27, \$69,400 General Funds in FY2027-28, and \$71,600 General Funds in FY2028-29.

Revenues:

The NDOR has noted LB1104 would have a positive impact to the Highway Trust Fund, but the actual amount is indeterminable.

The DMV has indicated that the fiscal impact is indeterminable to their agency, as they have no way to make a determination on the number of vehicles registered in other states.

The LFO estimates that there would likely be an indeterminate amount of revenue to both the DMV Cash Fund and the Highway Trust Fund (if late fees are assessed). The Highway Trust Fund revenue would then be split; with 53.3% allocated to the Highway Cash Fund and 46.6% allocated to the Highway Allocation Fund to be shared by both cities and counties. Additionally, the LFO estimates that there would likely be additional expenses incurred by the DMV to investigate and make determinations, which may include FTEs.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1104 AM: AGENCY/POLT. SUB: Department of Revenue
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REVIEWED BY: Ashley Dempsey	DATE: 2/5/26	PHONE: (402) 326-2182
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COMMENTS: Concur with the Department of Revenue's estimated fiscal impact from LB 1104.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1104 AM: AGENCY/POLT. SUB: Department of Motor Vehicles

REVIEWED BY: Ashley Dempsey	DATE: 2/3/26	PHONE: (402) 326-2182
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COMMENTS: Concur with the Department of Motor Vehicles' assessment of indeterminable fiscal impact from LB 1104.
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Please complete **ALL** (5) blanks in the first three lines.

2026

LB⁽¹⁾ 1104

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore

Date Prepared: 1/20/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-3902

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:

Fiscal impact is indeterminable as it is likely there are vehicles registered in other states, however the DMV does not currently have a way to capture how many.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:	
Approved by: James R. Kamm		Date Prepared: 02/04/2026	
	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Expenditures	Revenue	Expenditures
General Funds	\$72,400	\$ 0	\$71,600
Cash Funds		Indeterminable	
Federal Funds			
Other Funds			
Total Funds	\$72,400	\$ 0	\$71,600
		\$69,400	\$ 0

LB 1104 allows the Department of Revenue (DOR) or Department of Motor Vehicles to decide if a resident is a resident owner of a motor vehicle or trailer and if that resident is avoiding motor vehicle taxes, motor vehicle fees, registration fees or sales/use taxes. Factors for the determination include whether the resident owner (1) owns property or (2) maintains a physical location in or (3) files income tax returns in the state where the motor vehicle was registered, or if the vehicle has been kept in Nebraska for over 30 days and has situs here. Determination of situs may be based on if a Nebraska resident (1) was the initial purchaser or (2) operated or stored the vehicle in Nebraska for any period of time or (3) is affiliated with a business that owns the vehicle or (4) is covered under an insurance policy for the vehicle or (5) any evidence the vehicle has been kept in the state over 30 days. If either Department makes a determination that the resident owner is avoiding any motor vehicle tax or that the motor vehicle or trailer has situs in Nebraska there is a rebuttable presumption that the resident owner is the actual owner, is required to register the motor vehicle or trailer, and is required to pay the motor vehicle taxes and sales or use tax.

If the resident does not pay the taxes and fees owed, a late fee of 50% of the unpaid taxes and fees will be assessed. The late fee will go to the State Highway Trust Fund.

It is estimated that this bill will have no impact on General Fund revenues and a positive but indeterminable impact to the State Highway Trust Fund .

DOR will need one Fiscal Compliance Analyst to implement the bill.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure

Class Code	Classification Title	26-27	27-28	28-29	26-27	27-28	28-29
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
A21211	Fiscal Compliance Analyst	1.0	1.0	1.0	\$50,700	\$52,200	\$53,800
Benefits.....					\$16,700	\$17,200	\$17,800
Operating Costs.....							
Travel.....							
Capital Outlay.....					\$5,000	\$0	\$0
Capital Improvements.....							
Total.....					\$72,400	\$69,400	\$71,600