

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

Under current law, effective on July 1, 2009, a new fuel tax structure is established that includes a 5% sales tax on the average wholesale price of gasoline. LB 264 would set the initial average wholesale price at \$2.44.

The current total state fuel tax is 26.4¢ per gallon (19.5¢ to Dept. of Roads (NDOR) and 6.9¢ to cities/counties). If the total tax, effective July 1, 2009, is continued at 26.4¢, the components of the tax would be as follows based on a \$2.44 average wholesale price.

	NDOR Share of Tax (cents)	Cities/Counties Share of Tax (cents)	Total Tax (cents)
Sales tax on fuel (5% X \$2.44)	8.1	4.1	12.2
Variable fuel tax - NDOR	3.9	-	3.9
Fixed tax - NDOR	7.5	-	7.5
Fixed tax – cities/counties	-	2.8	2.8
Total	19.5	6.9	26.4

The wholesale price will be recalculated on each subsequent October 1 and April 1. Since the most recent wholesale price that data is available for was \$1.34 (November, 2008), **it is assumed that the sales tax on fuel will fall by the allowed 1¢ maximum every six months as the wholesale price is recalculated.** The variable portion of the fuel tax will increase to offset the Dept. of Roads share of this 1¢ fuel sales tax drop (approximately .7¢) thus holding NDOR harmless. Cities and counties do not have a similar mechanism to offset their share of the fuel sales tax reduction (approximately .3¢); as a result, the cities and counties will realize a revenue loss under this scenario of an estimated \$1,800,000 in FY09-10 and \$9,600,000 in FY10-11 compared to the current year.

The estimated tax for each six month period covered by this fiscal note is as follows:

Taxing Period	NDOR Share of Tax (cents)	Cities/Counties Share of Tax (cents)	Total Tax (cents)
July 1, 2009 to Dec. 31, 2009	19.5	6.9	26.4
Jan.1, 2010 to June 30, 2010	19.5	6.6	26.1
July 1, 2010 to Dec. 31, 2010	19.5	6.3	25.8
Jan. 1, 2011 to June 30, 2011	19.5	5.9	25.4

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	DATE	2/24/09	PHONE	471-4179
COMMENTS					
Concur with the Dept. of Revenue's analysis and estimate of no fiscal impact on this bill.					
Concur with the Dept. of Road's analysis and estimate of no fiscal impact on this bill.					