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 DATE PREPARED: March 10, 2009  
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**LB 466**

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 466 would amend sections of law that govern revenue sources deposited in the Water Resources Cash Fund. The fiscal impact of LB 466 would include the following:

**General Funds transferred to the Water Resources Cash Fund** -- Current law provides for a \$2,700,000 annual transfer from the General Fund to the Water Resources Cash Fund through FY2018-19. LB 466 would continue the \$2,700,000 General Fund transfer through FY11-12 and establish that from FY12-13 through FY18-19, a \$10,000,000 General Fund transfer would occur annually. There would be no fiscal impact in the next biennium as a result of this provision, but beginning in FY12-13, there would be an additional General Fund revenue loss of \$7,300,000 as a result of the additional transfer. The Water Resources Cash Fund would realize a \$7,300,000 revenue increase.

**Corn and grain sorghum excise tax deposited in the Ethanol Production Incentive Cash Fund** – LB 466 would extend the existing 7/8 cent per bushel excise tax that is assessed on corn and grain sorghum and deposited in the Ethanol Production Incentive Cash Fund (EPIC). Current law ends the excise tax on October 1, 2012. LB 466 would extend the tax to December 31, 2012. This would result in additional revenue deposited in the Ethanol Production Incentive Cash Fund in FY12-13. Total revenue received would depend upon the amount of corn marketed in that time period, but total additional revenue is estimated to range between \$2,500,000 and \$3,000,000.

**Corn and grain sorghum excise tax scheduled for deposit in Water Resources Cash Fund** -- LB 466 would also eliminate the 3/5 cent excise tax on corn and grain sorghum that is scheduled to begin on October 1, 2012 and extend to October 1, 2019. Current law provides that this tax would be deposited in the Water Resources Cash Fund; potential revenue from this tax is estimated to total \$7,500,000 to \$7,600,000. As a result of LB 466, revenue would not be realized from this funding source beginning in FY12-13.

**Department of Agriculture expenses** – The Department of Agriculture collects the corn and grain sorghum excise taxes and is reimbursed for its expenses from excise tax revenue. Because LB 466 repeals the excise tax designated for deposit in the Water Resources Cash Fund, the agency would not collect the special excise tax beyond FY12-13. Technical note: Because LB 466 does not extend the deadline for the Department of Agriculture to request reimbursement for collection expenses related to the excise tax that is deposited in the EPIC fund, the agency would not be reimbursed for the final calendar quarter of collection costs.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/11/09	PHONE	471-2526
<b>COMMENTS</b>					
DEPT. OF NATURAL RESOURCES – The agency analysis appear reasonable.					
DEPT. OF AGRICULTURE – Concur. No fiscal impact.					
GRAIN SORGHUM DEVELOPMENT – No fiscal impact.					
CORN BOARD – No fiscal impact.					