

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *					
	FY 2011-12 FY 2012-13				
_	EXPENDITURES	REVENUE			
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS	*				
OTHER FUNDS					
TOTAL FUNDS					

LB 357 amends Nebraska Revised Statutes Sections 77-27,142 and 77-27,142.01.

Section 77-27,142 is amended to allow a municipality to impose a sales and use tax of up to two percent. Current law allows local option sales tax rates of one-half percent, one percent, and one and one-half percent. This section is also amended by striking obsolete language, including a requirement that the election commissioner file a certified copy of the election results with the Tax Commissioner of any election conducted to change the tax rate.

Section 77-27,142.01 is amended to require that in any election regarding the question of raising the sales and use tax, language be included describing the proposed use of the revenue to be raised.

There is no fiscal impact to the General Fund as a result of LB 357 and costs to administer are estimated to be minimal.

IMPACT TO POLITICAL SUBDIVISIONS:

The city of Omaha estimates that LB 357 would provide additional sales tax revenue of \$43,818,508 annually if the city was to implement a local option sales and use tax rate of two percent. However, the additional sales tax will also result in the automatic sunset provisions of the existing restaurant tax, which is budgeted at \$14,779,753 in revenue in 2011. The net increase in revenue to Omaha would be \$29,038,755 – assuming voter approval of the increase.

The city of Lincoln estimates that LB 357 would provide approximately \$19,000,000 in additional revenue, again assuming voter approval, based on current tax revenues of approximately \$57,000,000 from the current 1.5 percent sales tax.

The impact on other localities is indeterminate but it is assumed at least some will implement the new rate.

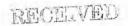
DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY Lyn Heaton DATE 3/8/11 PHONE 471-2526

COMMENTS

DEPARTMENT OF REVENUE: Concur. No direct impact on General Fund revenue or on the Department of Revenue expenses.

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



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LB 357

Fiscal Note 2011

	a free and worth	State Agency	Estimate			
State Agency Name: Department o	f Revenue				Date Due LFA:	1/20/2011
Approved by: Douglas Ewald		Date Prepared:	1/19/2011		Phone: 471-5700	
FY 2011-2012 FY 2012-2013					FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

LB 357 allows for the increase of a city local option tax to 2% and requires the ballot question for rate changes to include a description of purpose. The bill also strikes obsolete language. The bill also strikes language that requires the election commissioner to certify the results of the ballot question to the Tax Commissioner, which may result in notification and implementation problems for any tax rate changes.

LB 357 does not have a direct impact state General Fund sales tax collections.

The Department expects minimal costs to administration LB 357.

	Majo	or Objects of I	Expendit	ure			
Class Code	Classification Title	11-12 FTE	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Benefits							
Capital Outlay		• • • • • • • • • • • • • • • • • • • •					
Total	•••••						

FISCAL NOTE **LB357** City of Lincoln

MAR 9 8 2011

Herz, Don Prepared By Date Prepared 3/7/2011 Prepared Phone 402-441-7412

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Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds		12,693,000		19,040,000
Cash Funds				
Federal Funds				
Other Funds				
Total Funds		12,693,000		19,040,000

Explanation of Estimate:

The City of Lincoln anticipates receiving about \$57 million of net sales tax revenue from its current 1.5% sales tax. An additional 0.5% sales tax would generate approximately \$19 million of additional tax. Since the City's fiscal year begins on September 1, we estimate that only 2/3rd of this amount could be collected in FY 2011/2012.

Major Objects of Expenditure

	IVI	ajor objects of Expenditu	11.6	
	Number	of Positions	FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

Date: 3/7/2011

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MAR 9 7 2011

LEGISLATIVE FISCAL

Prepared By	Larsen, Sheri
Date Prepared	3/4/2011
Prepared Phone	402-444-5477

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				29,038,755
Cash Funds				
Federal Funds				
Other Funds				
Total Funds			_	29,038,755

Explanation of Estimate:

The city of Omaha will receive an additional \$43,818,508 in sales tax revenue in the event LB357 is passed and the voters approve the increase. This additional sales tax will also result in the automatic sunset provision of the existing restaurant tax, which is budgeted at \$14,779,753 in revenue in 2011. The net increase to the city is \$29,038,755. No amount would be received in 2011 due to the requirement for voter approval. The fiscal impact in 2013 assumes voter approval is obtained.

Major Objects of Expenditure

		rajor Objects of Expenditu	re	
	Numbe	r of Positions	FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		