

Doug Gibbs January 17, 2012 402-471-0051

## LB 818

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * |                       |             |  |             |  |  |  |  |
|--|-----------------------|-------------|--|-------------|--|--|--|--|
|  | FY 2012-13 FY 2013-14 |             |  |             |  |  |  |  |
|  | EXPENDITURES          |             |  |             |  |  |  |  |
| GENERAL FUNDS                                |                       |             |  |             |  |  |  |  |
| CASH FUNDS                                   |                       | (\$341,000) |  | (\$347,000) |  |  |  |  |
| FEDERAL FUNDS                                |                       |             |  |             |  |  |  |  |
| OTHER FUNDS                                  |                       |             |  |             |  |  |  |  |
| TOTAL FUNDS                                  |                       | (\$341,000) |  | (\$347,000) |  |  |  |  |

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

LB 818 amends Nebraska Revised Statutes Section 76-902, dealing with the documentary stamp tax, to exempt from the tax spouses and ex-spouses when conveying rights to property acquired during the marriage.

The Documentary Stamp Tax rate is \$2.25 per \$1,000 of value. \$0.95 is credited to the Affordable Housing Trust Fund; \$0.50 is retained by the county; \$0.30 is credited to the Behavioral Health Services Fund; \$0.25 is credited to the Homeless Shelter Assistance Trust Fund; and \$0.25 is credited to the Site and Building Fund.

The Department of Revenue assumes that the proposed exemptions will have the same effect as the average of the current 22 exemptions, both in terms of use and dollar value. The Department estimates the following fiscal impact:

|            |               | Homeless   |            |            |               |
|------------|---------------|------------|------------|------------|---------------|
|            | Affordable    | Shelter    | Behavioral | Site &     |               |
|            | Housing Trust | Assistance | Health     | Building   |               |
|            | Fund:         | Fund:      | Fund:      | Fund:      | <u>Total:</u> |
| FY2012-13: | (\$185,000)   | (\$49,000) | (\$58,000) | (\$49,000) | (\$341,000)   |
| FY2013-14: | (\$188,000)   | (\$50,000) | (\$59,000) | (\$50,000) | (\$347,000)   |
| FY2014-15: | (\$192,000)   | (\$51,000) | (\$61,000) | (\$51,000) | (\$355,000)   |

The Department indicates no costs to implement LB 818.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

## IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the impact to the counties as follows:

FY2012-13:(\$ 97,000)FY2013-14:(\$ 99,000)FY2014-15:(\$101,000)

|                                 | DEPARTMENT OF ADMIN            | NISTRATIVE SERVICES               |                                    |
|---------------------------------|--------------------------------|-----------------------------------|------------------------------------|
| REVIEWED BY                     | Lyn Heaton                     | 1/18/12                           | PHONE 471-2526                     |
| COMMENTS                        |                                |                                   |                                    |
| DEPT. OF REVENUE – No basis upo | , which to disagree as no reco | rds are available relative to the | frequency of each of the different |

forms of the transactions.

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| LB 818                        |              |                |              | JAN 1 1201  | Fiscal Note   | 2012        |
|-------------------------------|--------------|----------------|--------------|-------------|---|-------------|
|                               |              | State Agency   | Estimate LEC | 210         |   |             |
| State Agency Name: Department | of Revenue   |                |              | TIVEFIC     | Date Due LFA:<br><u>A Phone: 471-5700</u><br>EV 201 | 1/12/2012   |
| Approved by: Douglas Ewald    |              | Date Prepared: | 1/9/2012     | - OCA       | L Phone: 471-5700                                   |             |
|                               | FY 201       | 2-2013         | FY 2013-2014 |             | FY 2014-2015  |             |
|                               | Expenditures | Revenue        | Expenditures | Revenue     | Expenditures  | Revenue     |
| General Funds                 |              |                |              |             |   |             |
| Cash Funds                    |              | (\$341,000)    |              | (\$347,000) |   | (\$355,000) |
| Federal Funds                 |              |                |              |             |   |             |
| Other Funds                   |              | (\$97,000)     |              | (\$99,000)  |   | (\$101,000) |
| Total Funds                   |              | (\$438,000)    |              | (\$447,000) |   | (\$456,000) |
|                               |              |                | _            |             |   |             |

LB 818 amends the Documentary Stamp Tax Act to exempt deeds between spouses and ex-spouses for the purpose of conveying any rights to property acquired during the marriage.

Currently, the Documentary Stamp tax rate is \$2.25 per \$1,000 of value. Counties retain \$0.50 from the \$2.25 collected. Twenty-five cents of the remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund, \$0.95 is credited to the Affordable Housing Trust Fund, \$0.30 is credited to the Behavioral Health Services Fund, and \$0.25 is credited to the Site and Building Fund.

Assuming the exemption has the same effect as the average of the 22 current exemptions, both in terms of its use and the dollar value of the transaction, the estimated impact of the new exemptions will be as follows:

|              | Affordable<br>Housing Trust<br>Fund | Homeless<br>Shelter<br>Assistance<br>Fund | Behavioral<br>Health | Site &<br>Building<br>Fund | County      |
|--------------|-------------------------------------|---|----------------------|----------------------------|-------------|
| FY 2012-2013 | (\$185,000)                         | (\$49,000)                                | (\$58,000)           | (\$49,000)                 | (\$97,000)  |
| FY 2013-2014 | (\$188,000)                         | (\$50,000)                                | (\$59,000)           | (\$50,000)                 | (\$99,000)  |
| FY 2014-2015 | (\$192,000)                         | (\$51,000)                                | (\$61,000)           | (\$51,000)                 | (\$101,000) |

The Department of Revenue will have no costs to implement LB 818.

| Major Objects of Expenditure |   |                                       |                     |                     |                                       |                              |  |  |
|------------------------------|---|---------------------------------------|---------------------|---------------------|---------------------------------------|------------------------------|--|--|
| <u>Class Code</u>            | Classification Title  | 12-13<br><u>FTE</u>                   | 13-14<br><u>FTE</u> | 14-15<br><u>FTE</u> | 12-13<br>Expenditures                 | 13-14<br><u>Expenditures</u> | 14-15<br><u>Expenditures</u>           |  |
|                              |   |                                       | 1                   |                     |                                       |                              |  |  |
|                              |   |                                       |                     |                     | · · · · · · · · · · · · · · · · · · · |                              |  |  |
| Benefits                     |   | · · · · · · · · · · · · · · · · · · · |                     |                     |                                       | ·                            | ······································ |  |
| Operating Costs              |   |                                       |                     |                     |                                       |                              |  |  |
| Fravel                       |   |                                       |                     |                     |                                       |                              |  |  |
| Capital Outlay               |   |                                       |                     |                     |                                       |                              |  |  |
| Aid                          | •• •••• |                                       |                     |                     |                                       |                              |  |  |
|                              |   |                                       |                     |                     |                                       |                              |  |  |
| otal                         |   | •••••                                 |                     |                     |                                       |                              |  |  |