

PREPARED BY: Doug Gibbs  
 DATE PREPARED: January 21, 2014  
 PHONE: 402-471-0051

**LB 867**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$52,700	\$0	\$45,200	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$52,700</b>	<b>\$0</b>	<b>\$45,200</b>	<b>\$0</b>

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

LB 867 amends Nebraska Revised Statutes Sections 77-27,144 and 77-2711 regarding access to sales and use tax information by municipalities.

The bill changes who may access sales and use tax information to no longer require that such a person be a municipal employee but only that the person be certified by the municipality seeking information. The person may still be a municipal employee but can also be a contractor who provides financial, accounting or other administrative services to the municipality. The person so certified would still be bound by the confidentiality requirements found in this section.

LB 867 also adds language allowing the municipality to seek information on any person who is liable for the use tax and the amount of use tax that person remitted which is allocable to the requesting municipality.

The Department of Revenue estimates the cost to implement the provisions of LB 867 will be \$52,700 for FY14-15 and \$45,200 for FY15-16. This cost is for 1.0 FTE that will be necessary for compiling and researching the additional use tax data.

We have no basis to disagree with the Department of Revenue’s estimate of the cost to implement LB 867.

**State Agency Estimate**

State Agency Name: Department of Revenue Date Due LFA: 1/23/2014  
 Approved by: Kim Conroy Date Prepared: 1/21/2014 Phone: 471-5896

	<u>FY 2014-2015</u>		<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$ 52,700	\$ 0	\$ 45,200	\$ 0	\$ 46,200	\$ 0
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$ 52,700</b>	<b>\$ 0</b>	<b>\$ 45,200</b>	<b>\$ 0</b>	<b>\$ 46,200</b>	<b>\$ 0</b>

LB 867 allows a municipality to appoint an individual to inspect sales and use tax returns of businesses located within the municipality. Currently, a municipality may only appoint a municipal employee to inspect sales tax returns of businesses within their municipality; a municipality may not inspect use tax returns of businesses located within their municipality. LB 867 also allows a municipality to inspect sales and use tax returns of any person liable for use tax and the amounts remitted by such persons which are allocable to the requesting municipality. If the certified person is not a municipal employee, the individual must be a contractor for purposes of providing financial, accounting, or other administrative services to the municipality.

It is estimated that the cost to the Department will include one FTE for compiling and researching the use tax data requested by the municipalities.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	<u>14-15 FTE</u>	<u>15-16 FTE</u>	<u>16-17 FTE</u>	<u>14-15 Expenditures</u>	<u>15-16 Expenditures</u>	<u>16-17 Expenditures</u>
A13111	Research Analyst I	1.0	1.0	1.0	\$ 33,200	\$ 34,000	\$ 34,700
Benefits.....					\$ 11,000	\$ 11,200	\$ 11,500
Operating Costs.....							
Travel.....							
Capital Outlay.....					\$ 8,500	\$ 0	\$ 0
Aid.....							
Capital Improvements.....							
<b>Total.....</b>					<b>\$ 52,700</b>	<b>\$ 45,200</b>	<b>\$ 46,200</b>