

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$806,000)		(\$1,238,000)
CASH FUNDS		(\$29,000)		(\$50,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$835,000)		(\$1,288,000)

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

LB 249 amends the Nebraska Revenue Act of 1967, Section 77-2701.04, regarding sales and use taxes.

The bill would exempt the sale of horses from sales and use taxes.

The bill has an operative date of October 1, 2015.

The Department of Revenue estimates the following fiscal impact as a result of LB 249:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund (Local):	Total:
2015-16	(\$ 806,000)	(\$ 29,000)	(\$ 5,000)	(\$ 840,000)
2016-17	(\$ 1,238,000)	(\$ 50,000)	(\$ 9,000)	(\$ 1,297,000)
2017-18	(\$ 1,267,000)	(\$ 51,000)	(\$ 9,000)	(\$ 1,327,000)
2018-19	(\$ 1,298,000)	(\$ 53,000)	(\$ 9,000)	(\$ 1,360,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 249.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO LOCAL POLITICAL SUBDIVISIONS:

The estimated impact to the Highway Allocation Fund is as follows:

FY2015-16:	(\$5,000)
FY2016-17:	(\$9,000)
FY2017-18:	(\$9,000)
FY2018-19:	(\$9,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 249	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/5/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department's analysis.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 249	AM:	AGENCY/POLT. SUB: Dept. of Roads
REVIEWED BY: Lyn Heaton	DATE: 2/4/2015	PHONE: 471-4181
COMMENTS: The Department's estimate for FY 2015-16 is likely overstated as it does not prorate the amount due to the exemption not being operative until October 1, 2015, which suggests the first year impact should be reduced to reflect about two-thirds of the fiscal year. Otherwise, the Department's annualized estimate for FY 2016-17 appears reasonable.		

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 249

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Dept of Roads

Prepared by: ⁽³⁾ Becky Fleming

Date Prepared: ⁽⁴⁾ 1/29/15

Phone: ⁽⁵⁾ (402) 479 4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>\$(46,750.00)</u>	_____	<u>\$(46,750.00)</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>\$(46,750.00)</u>	<u>_____</u>	<u>\$(46,750.00)</u>

Explanation of Estimate:

LB 249 exempts the gross receipts from the sale of horses from sales and use tax. According to the Dept of Revenue, horse sales in 2012 were approximately \$22 million. This generated \$1.2 million in sales tax.

On sales and use tax collected, 85% of 1/4 of 1% sales tax collected is remitted to the State Capital Improvement Fund and 15% of 1/4 of 1% is remitted to the Highway Allocation Fund. If this bill were to pass, this would result in a loss to the Dept of Road of approximately \$46,750 (85%, calculated using sales recorded in 2012). Cities and counties would lose approximately \$8,250 (15%, calculated using information from Dept of Revenue above).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____