

Updated for the 2016 Legislative Session and includes any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$1,312,000)		(\$2,063,000)
CASH FUNDS		(\$46,000)		(\$83,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$1,358,000)		(\$2,146,000)

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

LB 278 amends the Nebraska Revenue Act of 1967, Sections 77-2704.14 and 77-2701.16 to provide a sales tax exemption for motor vehicle washing and cleaning services, including the use of coin-operated machines.

Currently the bill has an operative date of October 1, 2015, for purposes of this fiscal note we assume this will be changed to October 1, 2016.

The Department of Revenue has estimated the following fiscal impact as a result of LB 278:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund:	Total:
2016-17:	(\$ 1,733,000)	(\$ 61,000)	(\$ 11,000)	(\$ 1,805,000)
2017-18:	(\$ 2,733,000)	(\$ 111,000)	(\$ 20,000)	(\$ 2,864,000)
2018-19:	(\$ 2,870,000)	(\$ 116,000)	(\$ 20,000)	(\$ 3,006,000)

We disagree with the Department of Revenue's estimate of fiscal impact and believe the fiscal impact of LB 278 will be as follows:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund:	Total:
2016-17:	(\$ 1,312,000)	(\$ 46,000)	(\$ 8,000)	(\$ 1,366,000)
2017-18:	(\$ 2,063,000)	(\$ 83,000)	(\$ 15,000)	(\$ 2,161,000)
2018-19:	(\$ 2,162,000)	(\$ 88,000)	(\$ 15,000)	(\$ 2,265,000)
2019-20:	(\$ 2,264,000)	(\$ 92,000)	(\$ 16,000)	(\$ 2,372,000)

The Department of Revenue indicates the cost to implement LB 278 to be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

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

FY2016-17:	(\$ 8,000)
FY2017-18:	(\$ 15,000)
FY2018-19:	(\$ 15,000)
FY2019-20:	(\$ 16,000)

