

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$12,953		\$0	
CASH FUNDS		(\$409,500)		(\$629,000)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$12,953</b>	<b>(\$409,500)</b>	<b>\$0</b>	<b>(\$629,000)</b>

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

LB 531 amends Nebraska Revised Statutes Section 77-2703 regarding the sales tax collection fee for motor vehicles.

The bill provides that the county treasurer shall deduct from the amount of motor vehicle sales tax to be remitted to the Tax Commissioner, in addition to the collection fee permitted to be deducted by a retailer, an additional one-half of one percent of all amounts in excess of \$3,000 remitted each month.

The Department of Revenue estimates, assuming an operative date of October 1, 2017, the following fiscal impact:

Fiscal Year:	Highway Cash Fund:	Highway Allocation Fund : (Local)
2017-18:	(\$ 469,000)	(\$ 499,000)
2018-19:	(\$ 732,000)	(\$ 778,000)
2019-20:	(\$ 761,000)	(\$ 809,000)
2020-21:	(\$ 791,000)	(\$ 841,000)

The Department of Revenue indicates a cost of \$12,953 for a one-time programming charge paid to the Office of the CIO for development costs.

We have no basis to disagree with the Department of Revenue's estimate of cost.

The Department of Roads estimates that LB 531 will result in a loss to the Highway Cash Fund in FY2017-18 of \$350,000 and \$526,000 in FY2018-19.

**IMPACT TO POLITICAL SUBDIVISIONS:**

The Department of Revenue estimates that counties remitting motor vehicle sales tax will see an increase in their collections fees as follows:

FY2017-18:	\$ 968,000
FY2018-19:	\$ 1,510,000
FY2019-20:	\$ 1,570,000
FY2020-21:	\$ 1,632,000

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact.

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

FY2017-18:	(\$ 763,000)
FY2018-19:	(\$ 1,034,000)

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES

LB: 531                      AM:    AGENCY/POLT. SUB: Nebraska Department of Roads

REVIEWED BY: Lee Will    DATE: 02/02/2017    PHONE: [\(402\) 471-4175](tel:4024714175)

COMMENTS: The Nebraska Department of Roads' estimate of fiscal impact appears to be reasonable given the assumptions used.

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

**2017**

**LB<sup>(1)</sup> 531**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Roads

Prepared by: <sup>(3)</sup> Becky Fleming Date Prepared: <sup>(4)</sup> 1/30/2017 Phone: <sup>(5)</sup> (402) 479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$350,000)*	_____	(\$526,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 531 changes the sales tax collection fees for motor vehicles. This bill allows the counties to deduct an additional one-half of one percent of all amounts in excess of three thousand dollars remitted for motor vehicle sales tax.

Sales tax of 5 1/2% on motor vehicles are collected by county treasurers with revenue from 5% remitted to the Highway Trust Fund which is distributed 53 1/3% to the Highway Cash Fund (for the Department of Roads) and 46 2/3% to the Highway Allocation Fund (for the cities and counties equally). The revenue from the 1/2% sales tax is remitted to the Highway Allocation fund.

Based on FY2015 data, the additional 1/2% retainage would result in a loss to the Highway Cash Fund of \$526,000 annually (\*calculated as 8/12 of annual total for FY18). Cities and counties would increase \$558,000 annually (FY18 impact calculated as 7/12 of annual total \$325,000).

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

