Doug Gibbs January 27, 2014 402-471-0051

## LB 989

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2014-15		FY 2015-16				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 989 amends sections of statutes dealing with the tax expenditure report.

Section 77-385 is amended to now require, in addition to the complete tax expenditure report required in even-numbered years, an annual report focusing on specific areas relating to sales and use tax as follows:

For 2014 and every fourth year thereafter, the actual or estimated tax loss in the areas of: a) Agriculture, b) Business across state lines, c) Common carrier and logistics;

For 2015 and every fourth year thereafter, the actual or estimated tax loss in the areas of: d) Consumer goods, e) Energy, f) Food;

For 2016 and every fourth year thereafter, the actual or estimated tax loss in the areas of: g) General business, h) Lodging and shelter, i) Miscellaneous;

For 2017 and every fourth year thereafter, the actual or estimated tax loss in the areas of: j) Nonprofits, governments, and exempt entities, k) Recent sales tax expenditures done after July 19, 2012, and I) Telecommunications.

These annual reports are to be submitted to the Governor, Executive Board of the Legislature, and chairpersons of the Revenue Committee and the Appropriations Committee on or before October 15 of each year. In addition, the Department is to appear on or before December 1 of each year before a joint meeting of the Revenue and Appropriations committees to present the above annual report.

There is no General Fund impact as a result of LB 989.

The Department of Revenue estimates minimal cost to implement the provisions of LB 989.

We agree with the Department's estimate of cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB:	<mark>989</mark>	AM:	AGENCY/POLT. SUB: Department of Revenue			
REVIEWED BY: Lyn HeatonDATE: 1/30/2014PHONE: 402.47			PHONE: <u>402.471.4181</u>			
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.						

## Fiscal Note 2014

State Agency Estimate								
State Agency Name: Department of	Revenue				Date Due LFA:	1/292014		
Approved by: Kim Conroy		Date Prepared:	1/29/2014		Phone: 471-5896			
	FY 2014-2015		FY 2015-2016		FY 2016-2017			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$0		\$0		\$0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$0		\$0		\$0		

LB 989 requires the Department to issue an annual report regarding the actual or estimated revenue loss caused by certain sales and use tax expenditures. Each annual report will analyze a different set of sales and use tax expenditures identified in Neb. Rev. Stat. § 77-382.

The Department must submit the report to the Governor, the Executive Board of the Legislative Council, and the chairpersons of the Revenue Committee of the Legislature and the Appropriations Committee of the Legislature on or before October 15 of each year. The report must be submitted to the Legislature electronically.

The Department must appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee before December 1 to present the report. The Department must also provide supplemental information requested by three or more committee members within thirty days after the request.

It is estimated that there will be minimal costs to the Department to implement this bill.

There is no General Fund impact associated with the bill.

Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>
Benefits	Benefits						
Operating Costs							
Travel							
Capital Outlay							
Aid							
Capital Improvements							
Total							