

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	See Below	See Below	See Below	See Below
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 1057 amends the Nebraska Revenue Act of 1967.

The bill adds new language to the Act to provide that the amount the state collects in sales and use tax in the event that the federal government passes legislation that expands the state’s authority to require out-of-state retailers to collect and remit sales and use tax is to be credited to the Property Tax Credit Cash Fund.

The Department of Revenue is to determine the amount so collected in the first twelve months following the date the state begins collecting any additional revenue as a result of federal legislation.

Because the provisions of LB 1057 are dependent on the actions of an outside agency which cannot be predicted with any certainty, there is no way to estimate when any fiscal impact would occur.

The Department of Revenue estimates that if the federal law is passed allowing Nebraska to require out-of-state retailers to collect and remit sales tax on purchases made by Nebraska residents, the additional revenue would be approximately \$35-\$50 million of sales tax annually.

For fiscal years following certification by the Department of Revenue and the one-time transfer to the Property Tax Credit Cash Fund, sales tax collected by out-of-state retailers will result in an undeterminable increase the General Fund, State Highway Capital Improvement Fund, and Highway Allocation Fund.

The Department of Revenue indicates that implementing the provisions of LB 1057 will require a one-time programming charge paid to the office of the CIO for mainframe development and web development if the federal law is enacted.

There is no basis to disagree with the Department of Revenue’s estimate of fiscal impact and cost.

