PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 04, 2015 402-471-0051

**LB 191** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	5-16	FY 2016-17				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$90,000)		(\$163,000)			
CASH FUNDS		(\$4,000)		(\$7,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$94,000)		(\$170,000)			

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

LB 191 amends the Nebraska Revenue Act of 1967, Section 77-2704.10, regarding sales and use taxes.

The bill would exempt prepared food, and food and food ingredients sold by a congressionally chartered veterans service organization with active chapters in Nebraska and that is also exempt from federal income tax from sales and use taxes.

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

The Department of Revenue estimates the following fiscal impact:

Fiscal Year:	General Fund:	State Highway Capital	Highway Allocation	Total:
		Improvement Fund:	Fund: (Local)	
2015-16	(\$ 90,000)	(\$ 4,000)	(\$ 1,000)	(\$ 95,000)
2016-17	(\$ 163,000)	(\$ 7,000)	(\$ 1,000)	(\$ 171,000)
2017-18	(\$ 172,000)	(\$ 7,000)	(\$ 1,000)	(\$ 180,000)
2018-19	(\$ 180,000)	(\$ 7,000)	(\$ 1,000)	(\$ 188,000)

The Department of Revenue indicates the cost of implementation will be minimal.

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

## IMPACT TO POLITICAL SUBDIVISIONS:

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

FY2015-16: (\$1,000) FY2016-17: (\$1,000) FY2017-18: (\$1,000) FY2018-19: (\$1,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 191 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.						

## **LB 191 Fiscal Note 2015**

		State Agency	Estimate			
State Agency Name: Departmen	nt of Revenue				Date Due LFA:	2/4/2015
Approved by: Len Sloup		Date Prepared:	2/4/2015		Phone: 471-5896	
	<u>5-2016</u>	FY 201	FY 2016-2017		FY 2017-2018	
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	<b>Expenditures</b>	Revenue
General Funds		(\$90,000)		(\$163,000)		(\$172,000)
Cash Funds		(\$4,000)		(\$7,000)		(\$7,000)
Federal Funds						
Other Funds		(\$1,000)		(\$1,000)		(\$1,000)
Total Funds		(\$95,000)		(\$171,000)		(\$180,000)
	·			<u> </u>		<u> </u>

LB 191 provides a sales tax exemption for prepared food and food ingredients sold by veterans service organizations that are congressionally chartered, have active chapters in Nebraska, and are exempt from federal income tax under section 501(c)(19) of the Internal Revenue Code of 1986, as amended.

LB 191 is expected to reduce revenue to the funds below by the following amounts:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total
2015-16	\$90,000	\$4,000	\$1,000	\$95,000
2016-17	\$163,000	\$7,000	\$1,000	\$171,000
2017-18	\$172,000	\$7,000	\$1,000	\$180,000
2018-19	\$180,000	\$7,000	\$1,000	\$188,000

The Department's costs to implement LB 191 are expected to be minimal.

The operative date of LB 191 is October 1, 2015.

Major Objects of Expenditure							
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 <u>Expenditures</u>	17-18 Expenditures
Benefits							
Travel							