

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$188,745	\$304,762,000		\$466,786,000
CASH FUNDS		\$36,378,000		\$64,549,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$188,745</b>	<b>\$341,140,000</b>		<b>\$531,335,000</b>

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

LB 1315 would change the state sales tax from 5.5% to 6.5% and would keep the exception that such rate would be 2.75% on transactions occurring within a good life district.

The bill would also change the credit to the Highway Trust Fund under section 77-27,132. Under the bill, all of the proceeds of the sales and use taxes derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers, except that the proceeds that are in excess of 6%, a change from 5%, derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers would be credited to the Highway Allocation Fund. This would add an additional 1% of sales tax to the Highway Trust Fund while keeping the distribution to the Highway Allocation Fund at 0.5%.

The Department of Revenue (DOR) estimates increases to General Fund and other fund revenues as a result of these changes to state sales tax under the bill via the table below. The increases to revenues other than General Fund below are a result of the changes to sales tax under the bill connected to specific items as detailed in section 77-27,132.

	General Fund Revenues	Highway Trust Fund	Aeronautics Capital Improvement Fund	Game and Parks Commission Capital Maintenance Fund
FY 24-25	\$ 304,762,000	\$ 35,303,000	\$ 167,000	\$ 908,000
FY 25-26	\$ 466,786,000	\$ 62,638,000	\$ 300,000	\$ 1,611,000
FY 26-27	\$ 485,179,000	\$ 64,831,000	\$ 315,000	\$ 1,667,000

The DOR estimates a need for a one-time programming charge of \$188,745 to be paid to the Office of the Chief Information Officer (OCIO) for mainframe and web development as a result of this bill.

The estimates from the Department of Transportation are from the DOR.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1315	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/5/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1315 appears reasonable.			

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

LB: 1315      AM:      AGENCY/POLT. SUB: Department of Transportation

REVIEWED BY: Neil Sullivan      DATE: 2/5/2024      PHONE: (402) 471-4179

COMMENTS: The Department of Transportation assessment of fiscal impact from LB 1315 appears reasonable.

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

**2024**

**LB<sup>(1)</sup> 1315**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jenessa Boynton Date Prepared: <sup>(4)</sup> 2/5/2024 Phone: <sup>(5)</sup> 402-479-4692

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$35,470,000	_____	\$62,938,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>\$35,470,000</u>	<u>_____</u>	<u>\$62,938,000</u>

**Explanation of Estimate:**

LB1315 proposes to change the rate of sales tax from 5.5% to 6.5% beginning October 1, 2024 with the exception of transactions which occur within the good life district and will remain at 2.75%.

	FY2024-25	FY2025-26	FY2026-27
Highway Trust Fund	\$35,303,000	\$62,638,000	\$64,831,000
Aeronautics Capital Improvement Fund	\$167,000	\$300,000	\$315,000

This estimate of increased tax revenue is from the Nebraska Department of Revenue. The increase in the sales tax rate will result in more available funding to the Highway Trust Fund and Aeronautics Capital Improvement Fund for NDOT.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

