

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		30,743,000		76,989,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		30,743,000		76,989,000

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 504 increases the fixed portions of the fuel tax by a total of 5¢ on October 1, 2011 and by another 5¢ on October 1, 2012. This tax increase will be shared by the Department of Roads and cities and counties as follows.

Department of Roads – Revenue Impact

The current fixed fuel tax for the Department of Roads is 7.5¢. Under the provisions of LB504 this tax will increase to 11.3¢ on October 1, 2011, and then on October 1, 2012 increase to 15.1¢.

The estimated increase in revenue for the Department of Roads (Highway Cash Fund) is \$30,743,000 in FY11-12 and \$76,989,000 in FY12-13. This is the average of the revenue estimates provided by the Department of Roads and the Department of Revenue. The Department of Revenue provided revenue estimates for the following biennium of \$78,059,000 in FY13-14 and \$78,229,000 in FY14-15.

The Highway Cash Fund appropriation will need to be increased to allow the Department to spend this additional revenue. If the Highway Cash Fund appropriation is not increased the additional revenue will serve to decrease the variable fuel tax rate.

Cities and Counties – Revenue Impact

The current fixed fuel tax that is shared by the cities and counties is 2.8¢. Under the provisions of LB504 this tax will increase to 4.0¢ on October 1, 2011, and then on October 1, 2012 increase to 5.2¢.

The estimated increase in revenue for the cities and counties to share is \$9,817,000 in FY11-12, \$24,625,000 in FY12-13, \$24,650,000 in FY13-14 and \$24,704,000 in FY14-15. These revenue estimates were provided by the Department of Revenue.

Combined Revenue Impact

The combined revenue increase for the Department of Roads, cities and counties is \$40,560,000 in FY11-12, \$101,614,000 in FY12-13, \$102,709,000 in FY13-14 and \$102,933,000 in FY14-15 using estimates provided by the Department of Roads and the Department of Revenue.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	2/7/11	PHONE 471-4179
COMMENTS			
No basis to dispute agency analysis relative to Department of Revenue.			
Concur with Department of Roads' analysis and estimate of increased cash fund revenue fiscal impact.			