PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 06, 2013 402-471-0051

LB 488

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2013-14		FY 2014-15				
	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 488 amends Nebraska Revised Statutes regarding municipal occupation taxes and applies to all classes of cities in Nebraska.

The bill provides, for purposes of imposing occupation taxes, that cities shall make reasonable classifications of businesses, users of space, or kinds of transactions when imposing an occupation tax.

The bill also prohibits any city from imposing an occupation tax on certain products already taxed at the state level. These include alcohol, motor fuels, cigarettes, and tobacco products.

The Department of Revenue indicates that the above specified products are taxed at the wholesale level and that occupation taxes imposed at the retail level on these products would remain permissible.

The Department estimates no fiscal impact or cost as a result of LB 488.

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

State Agency Estimate								
State Agency Name: Department of	f Revenue			I	Date Due LFA:			
Approved by: Douglas Ewald	ald Date Prepared:			Phone: 471-5896				
	FY 2013-2014		FY 2014-2015		FY 2015-2016			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

LB 488 would amend all five sections that authorize municipal occupation taxes (Neb. Rev. Stat. §§ 14-109, 15-202, 15-203, 16-205 & 17-525) to require all municipal occupation taxes to adopt reasonable classifications and prohibit occupation taxes imposed on transactions subject to alcoholic beverage taxes, motor fuels taxes, cigarette taxes, or tobacco products taxes. Since those taxes are all imposed at the wholesale level, occupation taxes imposed at the retail level on these products would remain permissible. The bill has no specific operative date.

It is estimated that this bill will have no impact on the General Fund.

It is estimated that there will be no costs to the Department to implement this bill.

Major Objects of Expenditure								
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures	
Benefits								
Operating Costs.								
Travel								
Capital Outlay.								
	S							