PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 06, 2019 402-471-0059

LB 393

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2019-20		FY 2020-21			
	EXPENDITURES REVENUE		EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS		\$3,200,000		\$10,100,000		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		\$3,200,000		\$10,100,000		

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

LB 393 increases the documentary stamp tax from \$2.25 to \$3.25 per \$1,000 of value on the transfer of real estate. The \$1.00 increase is credited to the Property Tax Credit Cash Fund. The operative date of the act is January 1, 2020.

Revenue:

The Department of Revenue estimates no impact to the General Fund. The Department estimates Cash Fund revenue as follows:

Fiscal Year	Property Tax Credit Cash Fund Increase			
2019-20	\$ 3,200,000			
2020-21	\$ 10,100,000			
2021-22	\$ 10,500,000			
2022-23	\$ 10,900,000			

Expenditures:

The Department of Revenue estimates no cost to implement the bill.

There is no basis to disagree with these estimates.

State Agency Estimate							
State Agency Name: Department of	of Revenue				Date Due LFA:	2/5/19	
Approved by: Tony Fulton		Date Prepared:	2/4/19		Phone: 471-5896		
	FY 2019-2020		FY 2020-2021		FY 2021-2022		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ 0		\$ 0		\$ 0	
Cash Funds		\$ 3,200,000		\$ 10,100,000		\$ 10,500,000	
Federal Funds							
Other Funds							
Total Funds		\$ 3,200,000		\$ 10,100,000		\$ 10,500,000	

LB 393 amends Neb. Rev. Stat. §§ 76-901, 76,903, and 77-1327 to increase the documentary stamp tax imposed on a grantor transferring interest in or title to real property from \$2.25 per \$1,000 value to \$3.25 per \$1,000 value. The extra \$1.00 of remitted documentary stamp tax will be credited to the Property Tax Credit Cash Fund.

Based on the last five years of fiscal year Documentary Stamp Tax receipts, the increase to the Property Tax Credit Cash Fund is projected to be as shown in the chart below. The first fiscal year is calculated to reflect that the January 2020 receipts will not be deposited into the cash fund until March 2020.

Fiscal Year	Property Tax Credit Cash Fund Increase
2019-20	\$ 3,200,000
2020-21	\$ 10,100,000
2021-22	\$ 10,500,000
2022-23	\$ 10,900,000

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

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

The operative date for this bill is January 1, 2020.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures
Operating Costs							
Travel							
Capital Outlay							
Capital Improvements							