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DATE PREPARED: January 27, 2011  
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**LB 210**

Revision: 02

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to new information

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$37,000	See Below	(\$5,000)	See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$37,000	See Below	(\$5,000)	See Below

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

LB 210 amends a number of revenue statutes dealing with sales and use tax collection to change the due dates for sales and use tax returns from the 25<sup>th</sup> of the month to the 20<sup>th</sup> of the month following the prior reporting period.

The bill also amends Section 72-258.03, which defines "appraised value" for purposes of the sale of educational lands at public auction by deleting the requirement that the Property Tax Administrator provide the adjusted value to the property. The value is now established as defined in Sections 72-252 ad 72-258, which require that educational land is appraised for purposes of sales in the same manner as private land and is sold at not less than appraised value.

LB 210 amends Section 77-702 by removing the requirement that the Property Tax Administrator attend an annual two-day seminar on various appraisal subjects and law. The Department of Revenue regards this requirement as obsolete.

Amends Section 77-1327 (5) to require county assessors to electronically report data on assessed valuation and other similar information to the Property Tax Administrator.

The bill repeals Section 77-1355, which thereby eliminates the Greenbelt Advisory Committee.

Amends Section 77-1783.01 to grant the Department of Revenue additional time to file a demand for payment to a responsible corporate officer when the corporate tax liability is the subject of a bankruptcy. The Department would now have one year to file after the bankruptcy proceeding is closed or dismissed.

LB 210 amends Section 77-2704.50 to allow a common carrier to file a renewal application for sales tax exemption every five years instead of the current three years.

The bill amends Section 81-8,128 to provide that the State Athletic Commissioner's office is under the general supervision of the Charitable Gaming Division of the Department of Revenue. At this time the head of the Charitable Gaming Division is serving as the Athletic Commissioner.

Amends Section 81-1260 to provide that any sales tax due on transient lodging imposed under the Nebraska Visitors Development Act shall be due and payable monthly on or before the 25<sup>th</sup> day of the month. Also amends Section 81-15,164, which deals with the Waste Recycling and Incentive Act to provide that the one dollar tire fees collected under Section 81-15,162 are due and payable on or before the 25<sup>th</sup> of each month.

Based on information received from the State Treasurer's Office, we estimate the additional annual interest earned from the collection date changing from the 25<sup>th</sup> of the month to the 20<sup>th</sup> of the month will be approximately \$591,000. This is based on the assumption that most collections revenue is currently received on the 25<sup>th</sup> and will now be received on the 20<sup>th</sup>, resulting in a full five days of extra earnings per month. It also assumes that expenditure patterns remain the same; that is, while collections move up five days payments continue to be made on the same day of the month. In addition, the interest earned figure is based on an interest rate of 3.42 percent and actual 2009 sales and use tax revenue.

To obtain a precise figure of interest gained is extremely difficult due to the variables involved; a daily analysis of revenue and interest, done over the period of a year, would probably be necessary to provide the exact amount and even then would be dependent on changing interest rates, market fluctuations, and actual sales tax revenue collected. We believe that the \$591,000 is probably at the top end of potential interest earnings and could only be achieved if the state receives 60 additional days of interest and the interest rate remains approximate to the current rate. Obviously fewer days and a lower interest rate will result in earnings being lower.

The Department of Revenue originally estimated, based on a substantially lower interest rate, that the earlier collection and deposit of sales tax will result in an additional \$180,000 in interest to the General Fund. We do not dispute the accuracy of this estimate given the interest rate used by the Department; however, we do believe the higher rate provided by the State Treasurer gives a somewhat more current picture of the potential interest.

The Department of Revenue also estimated that LB 210 would result in an annual savings of \$5,000 in expenditures due to the elimination of the seminar requirement for the Property Tax Administrator

The Department also estimates a one-time programming cost of \$42,000.

There is no basis to disagree with the Department of Revenue's estimate of cost.