

Doug Gibbs March 28, 2011 402-471-0051

Revision: 01

FISCAL NOTE

Note revised because of new information.

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *					
	FY 2011-12		FY 20	FY 2012-13		
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE			
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS		_				
OTHER FUNDS						
TOTAL FUNDS						

LB 561 amends Nebraska Revised Statute Section 77-2701.02 to change the sales tax rate to an unspecified rate on October 1, 2011.

As the rate is not specified, LB 561 as written has no fiscal impact.

As a point of information, the Department of Revenue has provided the following estimate if the sales tax rate were to be increased (or decreased) by a half cent:

	General Fund:	Highway Trust Fund:	<u>Total:</u>
FY2011-12:	\$ 86,338,000	\$ 11,049,000	\$ 97,386,000
FY2012-13:	\$ 133,867,000	\$ 16,997,000	\$ 150,863,000
FY2013-14:	\$ 139,047,000	\$ 17,421,000	\$ 156,468,000
FY2014-15:	\$ 144,362,000	\$ 17,845,000	\$ 162,207,000

The cost to the Department of Revenue to implement LB 561, if a rate was specified, would include \$12,000 for programming.

If an amendment to LB 561 was adopted that specified a rate, the resultant fiscal note would include in addition to the information shown above, a modification for the timing of refunds under the incentive acts.

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

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LB 561 Revised

LEGIS: Amus Fiscal Note

2011

	State Agency	Estimate	PISCAL			
of Revenue				Date Due LFA:	1/26/2011	
	Date Prepared:	3/24/2011		Phone: 471-5700		
FY 2011-2012		FY 2012-2013		FY 2013-2014		
Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue	
	(See Below)		(See Below)		(See Below)	
	(See Below)		(See Below)		(See Below)	
\$12,000	(See Below)		(See Below)		(See Below)	
	Expenditures	Date Prepared: FY 2011-2012 Expenditures Revenue (See Below) (See Below)	Date Prepared: 3/24/2011 FY 2011-2012 FY 2012 Expenditures Revenue Expenditures (See Below) (See Below)	Date Prepared: 3/24/2011 FY 2011-2012 Expenditures Revenue Expenditures Revenue (See Below) (See B	Date Due LFA:	

LB 561 is a placeholder for changing the sales tax rate for sales made on or after October 1, 2011. The rate is not specified.

If the state sales tax rate were increased (decreased) by a half cent, sales and use taxes would be increased (decreased) by approximately the following amounts:

		Half Cent Sales Tax	
	General Fund	Highway Trust	
Fiscal Year	(Millions)	Fund (Millions)	Total (Millions)
FY 2011-12:	86.338	11.049	97.386
FY 2012-13:	133.867	16.997	150.863
FY 2013-14:	139.047	17.421	156.468
FY 2014-15:	144.362	17.845	162.207

An amendment that prescribes a specified rate would also include a modification for mistiming of incentive refunds.

Departmental cost to implement LB 561 includes a programming cost of \$12,000.

Major Objects of Expenditure							
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditure
		· · · · · · · · ·					
Benefits.							
		••••••			\$12,000		
Travel	•••••						
Aid							
P-4-1	***************************************				\$12,000		