

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$279,126,000		\$1,776,643,000
CASH FUNDS		\$10,316,000		\$65,659,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$289,442,000		\$1,842,302,000

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

LB 1021 amends a number of Nebraska statutes to remove certain sales and use tax exemptions.

Sales and use tax exemptions are removed for the following:

- Animal grooming performed by a licensed veterinarian or a licensed veterinary technician in conjunction with medical treatment;
- Use of certain energy sources and fuels for use directly in irrigation or farming;
- Water used for irrigation of agricultural lands and manufacturing purposes;
- Semen and insemination services;
- Feed, water, veterinary medicines, and agricultural chemicals;
- Food for human consumption; agricultural components; oxygen for aquaculture;
- Mineral oil applied to grain as a dust suppressant;
- Agricultural machinery and equipment;
- Repair or replacement parts for agricultural machinery and equipment used in commercial agriculture;
- Depreciable repairs or parts for agricultural machinery or equipment.

The bill has an operative date of April 1, 2019.

The Department of Revenue estimates the following fiscal impact of LB 1021:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund (Local):	Total Impact:
2018-19:	\$ 279,126,000	\$ 10,316,000	\$ 1,820,000	\$ 291,262,000
2019-20:	\$ 1,776,643,000	\$ 65,659,000	\$ 11,587,000	\$ 1,853,889,000
2020-21:	\$ 1,883,298,000	\$ 69,659,000	\$ 12,283,000	\$ 1,965,298,000

The Department of Revenue indicates minimal cost to implement the provisions of LB 1021.

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

IMPACT TO LOCAL POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund:

FY2018-19:	\$ 1,820,000
FY2019-20:	\$ 11,587,000
FY2020-21:	\$ 12,283,000

In addition, those cities and counties with local option sales tax will see an increase in sales tax revenue but we are unable to determine the amount of increase.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1021	AM:	AGENCY/POLT. SUB: Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/23/2018	PHONE: (402) 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.		

