

PREPARED BY: Austin Ligenza
 DATE PREPARED: March 2, 2021
 PHONE: (402)471-0050

LB 433

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$12,147			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$12,147			

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

LB 432 seeks to adjust the sales and use tax rates in Nebraska. Section 1 allows for the current sales tax rate of 5.5% to be adjusted. Section 2 allows for the current percent allocated to the Highway Allocation Fund to be adjusted. LB 432 is a placeholder bill for such changes. Currently, there is no fiscal impact to revenues as a result of LB 432.

The Department of Revenue estimates the need for a one-time OCIO charge of \$12,147 to implement any change to the sales and use tax rate. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 433	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 03/2/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact related to the changing of the sales and use tax rate.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 433	AM:	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Lee Will	DATE: 03/1/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Transportation's assessment of fiscal impact.			

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 433

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/24/2021 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	See below	See below
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 433 appears to be a placeholder bill and amends the sales tax rate from the current 5.5% to "xx percent" beginning July 1, 2022. In addition, the bill changes the sales tax distribution to the Highway Allocation Fund on motor vehicles sales and leases for periods of more than 31 days from the amount generated from any rate in excess of 5% to the amount generated from any rate in excess of "xx percent".

When a change to the sales tax rate is determined and identified in the bill, the change in the rate will affect the revenue from motor vehicle sales tax and the funds available in the State Highway Trust Fund. Without a new rate being specified in the bill, the overall fiscal impact is undeterminable at this point.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____