

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$25,587,000		\$39,348,000
CASH FUNDS		\$906,000		\$1,593,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$26,493,000		\$40,941,000

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

LB 170 removes the candy and soft drinks exemption from sales and use tax.

The bill becomes operative on October 1, 2025.

The Department of Revenue estimates the following increase to revenues as a result of the bill:

Fiscal Year	General Fund Revenues	Highway Trust Fund	Highway Allocation Fund (Cities and Counties)	Locals (assume 1.5%)
FY25-26	\$ 25,587,000	\$ 906,000	\$ 160,000	\$ 6,397,000
FY26-27	\$ 39,348,000	\$ 1,593,000	\$ 281,000	\$ 11,242,000
FY27-28	\$ 40,216,000	\$ 1,628,000	\$ 287,000	\$ 11,490,000
FY28-29	\$ 40,818,000	\$ 1,652,000	\$ 292,000	\$ 11,662,000

There is estimated to be a revenue increase to the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties. The DOR also estimates increases in tax revenue to local governments based upon a 1.5% sales and use tax rate.

The estimates from the Department of Transportation are from the DOR.

The DOR estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 170	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation	
REVIEWED BY: Ryan Yang	DATE: 3/11/2025	PHONE: (402) 471-4178	
COMMENTS: Concur with the Nebraska Department of Transportation assessment of fiscal impact from LB 170.			

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2025

LB⁽¹⁾ 170

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 3/7/2025 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	See below	\$906,000	See below	\$1,593,000
FEDERAL FUNDS				
OTHER FUNDS		\$160,000		\$281,000
TOTAL FUNDS	See below	\$1,066,000	See below	\$1,874,000

Explanation of Estimate:

LB170 would eliminate the sales tax exemptions for candy and soft drinks as defined within the bill. The operative date of the bill is October 1, 2025.

Revenue to Build Nebraska Act Funds				
	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Highway Trust Fund (NDOT)	\$906,000	\$1,593,000	\$1,628,000	\$1,652,000
Highway Allocation Fund (cities and counties)	\$160,000	\$281,000	\$287,000	\$292,000
Total	\$1,066,000	\$1,874,000	\$1,915,000	\$1,944,000

This estimate of increased tax revenue is from the Nebraska Department of Revenue. The increase in revenue in Build Nebraska Act Funds will result in more funding available for NDOT highway construction projects, such as for expansion of the expressway system, and to the Highway Allocation Fund for cities and counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		<u>2025-26</u> <u>EXPENDITURES</u>	<u>2026-27</u> <u>EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				