

Doug Gibbs February 07, 2011 471-0051

LB 429

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	CAL IMPACT - STAT	TE AGENCIES *	
. FY 2011-12 FY 2012-13				
_	EXPENDITURES	EXPENDITURES REVENUE		REVENUE
GENERAL FUNDS				
CASH FUNDS		\$3,189,550		\$3,195,550
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$3,189,550		\$3,195,550

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

LB 429 amends Nebraska Revised Statutes Sections 66-486 and 66-6,113, regarding the commissions for collecting the motor vehicle fuel tax, the aircraft fuels tax, the diesel fuel tax, and compressed fuel tax.

The bill would reduce the commissions allowed motor fuel licensees who collect and remit the various motor fuels tax.

For the motor vehicle fuels tax and the aircraft fuels tax, current law allows a commission of 5% of the first \$5,000 collected and 2.5% on all amounts in excess thereof remitted each reporting period.

For the diesel fuel tax and the compressed fuels tax, current law allows a commission of 2% of the first \$5,000 collected and 0.5% on all amounts in excess thereof remitted each reporting period.

LB 429 changes the commission for all groups of licensees and products to 1% of any amounts collected and remitted not to exceed \$5,000 per reporting period, per tax category.

The revenue from the motor vehicle fuel tax, the diesel fuel tax, and compressed fuel tax is credited to the Highway Trust Fund. The revenue from the aircraft fuels tax is remitted to the Aircraft Fuel Tax Fund and then credited to the Department of Aeronautics Cash Fund.

The Department of Revenue estimates that LB 429 will increase revenue as follows:

	Total Increase:	<u>Highway Trust Fund:</u>	Dept. of Aeronautics Cash Fund:
FY2011-12:	\$4,239,300	\$4,199,000	\$40,300
FY2012-13:	\$4,247,400	\$4,207,000	\$40,300
FY2013-14:	\$4,252,400	\$4,212,000	\$40,400
FY2014-15:	\$4,248,400	\$4,208,000	\$40,400

The Highway Trust Fund is then allocated as follows:

	<u>Highway Cash Fund:</u>	Highway Allocation Fund:
FY2011-12:	\$3,149,250	\$1,049,750
FY2012-13:	\$3,155,250	\$1,051,750
FY2013-14:	\$3,189,300	\$1,022,700
FY2014-15:	\$3,156,000	\$1,052,000

The Highway Cash Fund goes to the Department of Roads and the Highway Allocation Fund goes to counties and cities.

The Department indicates the costs to implement LB 429 to be minimal.

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE 2/8/11	PHONE 471-4179
COMMENTS	·		
DEPARTMENT OF REVENUE: Condimpact.	cur with Department of Reven	ue's analysis and estimate of incre	eased cash fund revenue fund
DEPARTMENT OF ROADS: Concur	with Department of Roads' an	alysis and estimate of increased of	ash fund revenue fiscal impact.

THATTATA

FEB - 9 2011

LB 429 Revised		I	EGISLATIVI	FISCAL	Fiscal Note	2011
		State Agency	Estimate			
State Agency Name: Department o	f Revenue				Date Due LFA:	1/26/2011
Approved by: Douglas Ewald		Date Prepared:	1/25/2011		Phone: 471-5700	
	<u>FY 201</u>	1-2012	FY 201	2-2013	FY 201	3-2014
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds		\$4,240,000		\$4,247,000		\$4,253,000
Federal Funds						
Other Funds						
Total Funds		\$4,240,000		\$4,247,000		\$4,253,000

LB 429 proposes a reduction in the commission allowed to motor fuels licensees who collect and remit the motor vehicle fuels tax, aircraft fuels tax, diesel fuels tax, or the compressed fuels tax.

Tax program	Current law	LB 429
Motor vehicle fuels tax	5% of the first \$5,000 collected,	For all groups of licensees and
Aircraft fuels tax	2.5% on all amounts in excess	products, 1% of any amounts
	thereof	collected and remitted not to
Diesel fuel tax	2% of the first \$5,000 collected,	exceed \$5,000 of commissions per
Compressed fuels tax	0.5% on all amounts in excess	reporting period, per tax category
	thereof	

LB 429 is expected to increase revenue by the following amounts:

Fiscal year	Aeronautics Cash Fund	Highway Cash Fund	Total
2011-12	\$40,300	\$4,199,000	\$4,239,300
2012-13	\$40,400	\$4,207,000	\$4,247,400
2013-14	\$40,400	\$4,212,000	\$4,252,400
2014-15	\$40,400	\$4,208,000	\$4,248,400

Departmental cost to implement LB 429 is expected to be minimal.

		-					
Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	11-12 <u>FTE</u>	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 <u>Expenditures</u>	13-14 Expenditures
Benefits			L	l			
Operating Costs				• • • • • • • • • • • • •			
Travel				•••••			
Aid			••••••	•••••			<u> </u>
Capital Improvements			•••••	• • • • • • • • • • • • • • • • • • • •		· · · · · · · · · · · · · · · · · · ·	
Total							

3

RECEIVED

FISCAL NOTE LB429 Department of Roads

JAN 28 2011

LEGISLATIVE F'S CAT

Prepared By Hayes, Marilyn Date Prepared 1/20/2011 Prepared Phone 402-479-4692

Estimate Provided By State Agency or Political Subdivision	

	FY 201	FY 2011-2012		2-2013
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds		\$2 million		\$3 million
Federal Funds				
Other Funds				
Total Funds		\$2 million		\$3 million

Explanation of Estimate:

LB 429 would reduce the motor fuel tax commission that is retained by producers, suppliers, distributors, wholesalers, and importers on motor fuel taxes collected from 5% on the first \$5,000 and 2 1/2 % on all amounts above \$5,000 to be 1% on amounts remitted not to exceed \$5,000 per reporting period.

Per information supplied by the Department of Revenue, this change would result in an additional \$4 million annually to the Highway Trust Fund. The Department of Roads' share is approximately 75% or \$3 million annually. With an effective date of October 1, 2011, the FY-12 impact would be 2/3rds or \$2 million annually.

NOTE: IF the intent of this legislation is to make additional funds available for highway construction, this would require an increase in the Highway Cash Fund appropriation by the same amount of funds.

	Number	r of Positions	FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
······································				
· · · ·		Benefits		· · · · ·
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

Major Objects of Expenditure