

Kathy Tenopir February 13, 2012 471-0058

LB 907

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *							
	FY 2012	-13	FY 2013-14				
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE				
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS	See Below	See Below	See Below	See Below			
TOTAL FUNDS							

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

LB907 increases the minimum horsepower of an agriculture tractor that is required to be permitted, tested and approved from 40 or more to 100 or more.

The University of Nebraska indicates that the provisions of LB907 will result in less tractors being tested. The University estimates an annual revenue loss of \$45,000 and a \$13,000 decrease in expenditures.

LB907 also prohibits the purchaser of any current tractor model, regardless of horsepower, from claiming an exemption from sales and use tax as agricultural machinery unless the current tractor model has been permitted and tested.

The Department of Revenue indicates that based on the number of tractors permitted for sale in Nebraska since 1999 at 930 models, it does not appear likely that the bill will result in a significant number of tractors being subject to sales tax.

REVIEWED BY	William Scheideler	DATE 1/18/12	PHONE 471-2526
COMMENTS			
UNIVERSITY OF NEBRASKA: No b	asis to dispute the University's	estimated impact.	

Please complete <u>ALL</u> (5) blanks in the first three lines.	JAN 1 8 2012 2012
LB ⁽¹⁾ 907 FISCAL NOTE	A REAL AND A REAL PLACE
State Agency OR Political Subdivision Name: ⁽²⁾ <u>University of</u>	i Nebraska
Prepared by: ⁽³⁾ <u>Michael Justus</u>	Date Prepared: ⁽⁴⁾ <u>January 17, 2012</u> Phone: ⁽⁵⁾ <u>472-2191</u>
ESTIMATE PROVIDED BY STATE A	GENCY OR POLITICAL SUBDIVISION
FY 2012-2013	FY 2013-2014
EXPENDITURES REVEN	IUE EXPENDITURES REVENUE
GENERAL FUNDS \$ \$	\$

MATTER

CASH FUNDS				
FEDERAL FUNDS				<u></u>
OTHER FUNDS	(13.000)	(45,000)	(13.000)	(45.000)
TOTAL FUNDS	\$ <u>(13,000)</u>	\$ <u>(45.000)</u>	\$ <u>(13.000)</u>	\$ <u>(45.000)</u>
Return by date specified or	72 hours prior to public h	aring whichever is earlier		

Return by date specified or 72 hours prior to public hearing, whichever is earlier. Explanation of Estimate:

The University of Nebraska-Lincoln Tractor Test Laboratory is solely supported with fees generated from the testing required under the current Nebraska Tractor Test Law. Accurately estimating the fiscal impact of this bill is difficult due to the potential variability of testing activity for tractors under 100 HP, dependent upon whether the tractor is purchased for agricultural or non-agricultural purposes. Total projected revenue loss is approximately \$45,000 annually, based upon an estimate of 5 fewer models permitted. It is also anticipated that expenditures directly related to testing activities would decrease by approximately \$13,000 annually. The projected net annual reduction in Tractor Test Lab income would be \$32,000.

MAJO	NUMBER OF POSITIONS 2012-2013 2013-2014 POSITION TITLE 12-13 13-14 EXPENDITURES EXPENDITURES S S S S S S S S S S S				
Personal Services:			· · · · · · · · · · · · · · · · · · ·		
POSITION TITLE					
			\$	\$	
Benefits		<u> </u>			
Operating			(13.000)	(13.000)	
Travel					
Capital outlay				<u> </u>	
Aid					
Capital improvements					
TOTAL			\$ <u>(13.000)</u>	\$ <u>(13.000)</u>	

			RECEIVE	n	
			FEB	Fiscal Note	2012
	State Agency		32012)	
venue		-50	ISIA	Date Due LFA:	1/9/2012
	Date Prepared:	2/8/2012	1/VER	Phone: 471-5700	
<u>FY 2012</u>	2-2013	FY 20	13-2014 SCA	<u>FY 201</u>	4-2015
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
	FY 201	venue Date Prepared: FY 2012-2013	Date Prepared: 2/8/2012 FY 2012-2013 FY 20	FEB 32012 State Agency Estimate 32012 venue Date Prepared: 2/8/2012 7/1/6 FY 2012-2013 FY 2013-2014	State Agency Estimate 32012 venue Date Due LFA: Date Due LFA: Date Prepared: 2/8/2012 7/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1

LB 907 prohibits the sale of any current tractor model of 100 horsepower or more unless the seller has obtained a permit and the tractor has been inspected and approved for sale by the University of Nebraska, Board of Tractor Test Engineers.

LB 907 also prohibits the purchaser of any current tractor model, regardless of size, from claiming an exemption from sales and use tax as agricultural machinery and equipment unless the current tractor model has been permitted for sale.

Currently, agricultural machinery and equipment used in commercial agriculture is exempt from sales and use tax. LB 907 would remove this exemption for tractors not approved for sale by the tractor testing lab. Based on information from the Nebraska Tractor Test Laboratory, it appears that since 1999 approximately 930 models of tractors have been permitted for sale in Nebraska. Based upon this information, it does not appear likely that the bill will result in a significant number of tractors being subject to the sales tax.

Major Objects of Expenditure							
Class Code	Classification Title	12-13 <u>FTE</u>	13-14 <u>FTE</u>	14-15 <u>FTE</u>	12-13 Expenditures	13-14 <u>Expenditures</u>	14-15 Expenditures
Benefits.			<u> </u>				
Operating Costs				•••••			
Capital Outlay				•••••			
Capital Improvements							

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