Doug Gibbs February 13, 2012 402-471-0051

LB 986

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *							
	FY 201:	2-13	FY 2013-14				
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$ 6,988,000)		(\$ 10,180,227)			
CASH FUNDS				(\$ 412,057)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$ 6,988,000)		(\$ 10,592,284)			

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

LB 986 would exempt the sale of repairs and parts for agricultural machinery or equipment used in commercial agriculture from the sales or use tax. The bill has an operative date of October 1, 2012.

The bill would sunset the current sales and use tax refund for repairs or parts for agricultural machinery or equipment used in commercial agriculture on October 1, 2012. Purchases for which taxes were paid prior to that date would still be eligible for the refund.

The Department of Revenue estimates the following fiscal impact:

		State Highway
Fiscal	General	Capital Improvement
Year:	Fund:	Fund:
FY2012-13:	(\$ 6,670,364)	\$ 0
FY2013-14:	(\$ 10,180,227)	(\$ 412,057)
FY2014-15:	(\$ 10,338,682)	(\$ 418,470)

The Department indicates the cost to implement the provisions of LB 986 to be minimal.

We agree with the Department's estimate of fiscal impact and cost.

IMPACT TO POLTICAL SUBDIVISIONS:

We estimate the following fiscal impact to the Highway Allocation Fund:

FY12-13:

\$ 0

FY13-14:

(\$ 72,716)

FY14-15:

(\$ 73,848)

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWE	BY Lyn Heaton	2/15/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – No	basis upon which to disagree.		

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Fiscal Note

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The state of the s		State Agency	Estimate /	2012	2		
State Agency Name: Department	of Revenue		~ G	SLAN	Date Due LFA:	1/12/2012	
Approved by: Douglas Ewald		Date Prepared:	1/20/2012	3-2014 FIGUA	Phone: 471-5700		
	FY 201	2-2013	FY 2013-2014		FY 2014-2015		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		(\$6,988,000)		(\$10,655,000)		(\$10,831,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		(\$6,988,000)		(\$10,655,000)		(\$10,831,000)	

LB 986 provides a sales tax exemption for the sales and use of repair parts for agricultural machinery or equipment used in commercial agriculture, beginning October 1, 2012. The bill would also limit the refund of sales and use tax paid on depreciable repairs and repair parts for agricultural machinery to purchases made before October 1, 2012.

It is estimated that the impact to the General Fund would be as follows:

FY 2012-13 (\$ 6,988,000)

FY 2013-14 (\$ 10,655,000)

FY 2014-15 (\$ 10,831,000)

It is estimated that the cost to the Department to implement this bill would be minimal.

Major Objects of Expenditure							
Class Code	Classification Title	12-13 <u>FTE</u>	13-14 <u>FTE</u>	14-15 FTE	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures
enefits							
perating Costs	•••••						
apital Outlay							