Doug Gibbs February 17, 2017 402-471-0051

LB 249

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2017-18		FY 2018-19				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 249 amends Nebraska Revised Statutes Section 77-202 to expand the definition of business and agricultural inventory exempt from the personal property tax. The amended definition would now include leased "equipment useable for construction, agriculture, or manufacturing." The current exemption for business inventory now applies to property held for leasing that is normally considered to be household goods if owned by an individual.

We estimate that expanding this definition will have an impact on TEEOSA, with an additional expenditure of General Funds of \$10 million to \$20 million, beginning in FY19-20.

The Department of Revenue estimates that there will be minimal cost to implement the provisions of LB 249.

Fiscal Note 2017

State Agency Estimate								
State Agency Name: Department of	Revenue				Date Due LFA:	2/21/2017		
Approved by: Tony Fulton		Date Prepared:	2/10/2017		Phone: 471-5896			
	FY 2017-2018		FY 2018-2019		FY 2019-2020			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

LB 249 amends § 77-202 to expand the definition of "business inventory" to include leased "equipment useable for construction, agriculture, or manufacturing." Currently, in order to be exempt business inventory, property held for leasing must be of a type that would be considered household goods if owned by individuals.

This bill will have an effect on TEEOSA, which will have a corresponding impact on General Fund expenditures.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 <u>Expenditures</u>	18-19 <u>Expenditures</u>	19-20 <u>Expenditures</u>	
Benefits	Benefits							
Operating Costs								
Travel								
Capital Outlay								
Aid								
Capital Improvements								