PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 30, 2017 402-471-0051

LB 325

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	7-18	FY 2018-19				
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE				
GENERAL FUNDS		(\$1,163,000)		(\$1,191,000)			
CASH FUNDS		(\$47,000)		(\$48,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$1,210,000)		(\$1,239,000)			

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

LB 325 amends the Nebraska Revenue Act of 1967 to create a sales tax holiday for energy star qualified products.

The bill would exempt energy star qualified products with a sales price of \$1,500 or less purchased for noncommercial or personal use from sales and use taxes during the period from 12:01 a.m. on the first Friday in October until midnight on the first Sunday after the first Friday in October.

The following products would be eligible for the exemption: dishwashers, clothes washers, clothes dryers, air conditioners, furnaces, water heaters, ceiling fans, fluorescent light bulbs, dehumidifiers, refrigerators, doors, or windows. They must meet the energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy and be authorized to carry the energy star label.

The bill becomes operative on October 1, 2017.

The Department of Revenue is given rule and regulation authority.

The Department of Revenue estimates the following fiscal impact of LB 325:

		State Highway Capital	Highway Allocation	n Fund
Fiscal Year:	General Fund:	Improvement Fund:		Total:
2017-18:	(\$ 1,163,000)	(\$ 47,000)	(\$ 8,000)	(\$ 1,218,000)
2018-19:	(\$ 1,191,000)	(\$ 48,000)	(\$ 9,000)	(\$ 1,248,000)
2019-20:	(\$ 1,222,000)	(\$ 49,000)	(\$ 9,000)	(\$ 1,280,000)
2020-21:	(\$ 1.254,000)	(\$ 51,000)	(\$ 9,000)	• • • • •

The Department of Revenue indicates that the cost to implement the provisions of LB 325 will be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The fiscal impact to the Highway Allocation Fund is as follows:

FY2017-18: (\$ 8,000) FY2018-19: (\$ 9,000) FY2019-20: (\$ 9,000) FY2020-21: (\$ 9,000)

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB:325	B:325 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Lyn Heaton DA		DATE: 2/1/2017	PHONE: (402) 471-4181			
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.						

LB 325 Fiscal Note 2017

State Agency Estimate									
State Agency Name: Department of	of Revenue				Date Due LFA:	2/1/2017			
Approved by: Tony Fulton		Date Prepared:	1/31/2017		Phone: 471-5896				
	FY 2017	7-2018	FY 201	8-2019	FY 20	19-2020			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds		(\$1,163,000)		(\$1,191,000)		(\$1,222,000)			
Cash Funds		(\$47,000)		(\$48,000)		(\$49,000)			
Federal Funds									
Other Funds		(\$8,000)		(\$9,000)		(\$9,000)			
Total Funds		(\$1,218,000)		(\$1,248,000)		(\$1,280,000)			

LB 325 would create a sales tax holiday for energy star qualified products with a sales price of \$1,500 or less purchased for a noncommercial home or personal use. The holiday would begin on the first Friday of October and end on the first Sunday after the first Friday in October. LB 325 defines energy star qualified products as any dishwasher, clothes washer, clothes dryer, air conditioner, furnace, water heater, ceiling fan, fluorescent light bulb, dehumidifier, refrigerator, door, or window that meets the energy efficiency guidelines set by the United States Environmental Protection Agency and the United States Department of Energy and is authorized to carry the energy star label.

LB 325 is expected to reduce revenue to the following funds by the amounts below:

Fiscal Year	General Fund	State Highway Capital Improvement Fund		Highway Allocation Fund		Total	
2017-2018	\$ 1,163,000	\$	47,000	\$	8,000	\$	1,218,000
2018-2019	\$ 1,191,000	\$	48,000	\$	9,000	\$	1,248,000
2019-2020	\$ 1,222,000	\$	49,000	\$	9,000	\$	1,280,000
2020-2021	\$ 1,254,000	\$	51,000	\$	9,000	\$	1,314,000

Department cost to implement LB 325 is expected to be minimal.

The bill becomes operative October 1, 2017.

Major Objects of Expenditure								
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 <u>Expenditures</u>	19-20 Expenditures	
Benefits	Benefits							
Travel								
A ' 1								
Capital Improvement	S							
Total		• • • • • • • • • • • • • • • • • • • •	•••••	• • • • • • • • • • • • • • • • • • • •				