PREPARED BY: DATE PREPARED: PHONE: Douglas Gibbs February 13, 2018 402-471-0051

**LB 798** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	8-19	FY 2019-20 EXPENDITURES REVENUE			
	EXPENDITURES	REVENUE				
GENERAL FUNDS		(\$1,096,500)		(\$1,676,500)		
CASH FUNDS		(\$39,500)		(\$63,500)		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$1,136,000)		(\$1,740,000)		

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

LB 798 amends the Nebraska Revenue Act of 1967 to insert new language creating a sales and use tax exemption.

New language of the bill exempts feminine hygiene products from sales and use taxes.

Feminine hygiene product is defined as a menstrual pad, tampon, menstrual cup, or menstrual sponge.

The bill has an operative date of October 1, 2018.

The Department of Revenue estimates the following fiscal impact of LB 798:

		State Highway Capital	Highway Allocation F	und
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2018-19:	(\$ 946,000)	(\$ 34,000)	(\$ 6,000)	(\$ 986,000)
2019-20:	(\$ 1,458,000)	(\$ 59,000)	(\$ 10,000)	(\$ 1,527,000)
2020-21:	(\$ 1,497,000)	(\$ 61,000)	(\$ 11,000)	(\$ 1,569,000)
2021-22:	(\$ 1,538,000)	(\$ 62,000)	(\$ 11,000)	(\$ 1,611,000)

The Legislative Fiscal Office estimates the following fiscal impact of LB 798:

		State Highway Capital	Highway Allocation	Fund
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2018-19:	(\$ 1,247,000)	(\$ 45,000)	(\$ 8,000)	(\$ 1,300,000)
2019-20:	(\$ 1,895,000)	(\$ 68,000)	(\$ 11,000)	(\$ 1,974,000)
2020-21:	(\$ 1,933,000)	(\$ 70,000)	(\$12,000)	(\$ 2,015,000)
2021-22:	(\$ 1,976,500)	(\$ 71,000)	(\$12,500)	(\$ 2,060,000)

Fiscal Impact of LB 798:

		State Highway Capital	Highway Allocation	Fund
Fiscal Year:	General Fund:	Improvement Fund:	(Local):	Total:
2018-19:	(\$ 1,096,500)	(\$ 39,500)	(\$ 7,000)	(\$ 1,143,000)
2019-20:	(\$ 1,676,500)	(\$ 63,500)	(\$ 10,500)	(\$ 1,750,500)
2020-21:	(\$ 1,715,500)	(\$ 65,500)	(\$ 11,500)	(\$ 1,790,500)
2021-22:	(\$ 1,757,000)	(\$ 66,500)	(\$ 11,750)	(\$ 1,835,250)

The Department of Revenue indicates that there will be minimal costs to the Department to implement the provisions of LB 798.

We agree with the Department of Revenue's estimate of cost.

## LB 798 Fiscal Note 2018

State Agency Estimate							
Date Due LFA:							
Phone: 471-5896							
FY 2020-2021							
<u>Expenditures</u> <u>Revenue</u>							
(\$1,497,000)							
(\$61,000)							
(\$11,000)							
(\$1,569,000)							
510,000)							

LB 798 would exempt feminine hygiene products from Nebraska sales and use taxes.

LB 798 is expected to reduce revenue to the following funds:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total
2018-2019	\$946,000	\$34,000	\$6,000	\$986,000
2019-2020	\$1,458,000	\$59,000	\$10,000	\$1,527,000
2020-2021	\$1,497,000	\$61,000	\$11,000	\$1,569,000
2021-2022	\$1,538,000	\$62,000	\$11,000	\$1,611,000

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

The operative date for this bill is October 1, 2018.

Major Objects of Expenditure							
Class Code	Classification Title	18-19 <u>FTE</u>	19-20 <u>FTE</u>	20-21 <u>FTE</u>	18-19 Expenditures	19-20 Expenditures	20-21 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Improvemen	nts						
Total							