PREPARED BY: DATE PREPARED: PHONE: Douglas Gibbs February 16, 2018 402-471-0051

LB 759

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates) | | | | | | |
|--|--------------|-------------|----------------------|-------------|--|--|
| | FY 2018-19 | | FY 2019-20 | | | |
| | EXPENDITURES | REVENUE | EXPENDITURES REVENUE | | | |
| GENERAL FUNDS | | \$1,205,000 | | \$1,862,000 | | |
| CASH FUNDS | | \$43,000 | | \$75,000 | | |
| FEDERAL FUNDS | | | | | | |
| OTHER FUNDS | | | | | | |
| TOTAL FUNDS | | \$1,248,000 | | \$1,937,000 | | |

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

LB 759 amends Nebraska Revised Statutes Section 77-2704.67 to remove the sales and use tax exemption for purchases by, or admissions to, nationally accredited zoos or aquariums.

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

The Department of Revenue estimates the following fiscal impact of LB 759:

| | | State Highway Capital | Highway Allocation Fund | | |
|--------------|---------------|-----------------------|-------------------------|--------------|--|
| Fiscal Year: | General Fund: | Improvement Fund: | (Local): | Total: | |
| 2018-19: | \$ 1,205,000 | \$ 43,000 | \$ 8,000 | \$ 1,256,000 | |
| 2019-20: | \$ 1,862,000 | \$ 75,000 | \$ 13,000 | \$ 1,951,000 | |
| 2020-21: | \$ 1,918,000 | \$ 78,000 | \$ 14,000 | \$ 2,010,000 | |
| 2021-22: | \$ 1,976,000 | \$ 80,000 | \$ 14,000 | \$ 2,070,000 | |

The Department of Revenue indicates that there will be minimal costs to implement the provisions of LB 759.

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

IMPACT TO POLITICAL SUBDIVISIONS:

There is the following fiscal impact to the Highway Allocation Fund:

FY2018-19: \$ 8,000 FY2019-20: \$ 13,000 FY2020-21: \$ 14,000 FY2021-22: \$ 14,000

| ADMIN | NISTRATIVE SERVIC | ES STATE BUDGET DIVISIO | N: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|-------------------|-------------------------|---|--|--|
| LB: 759 | AM: | AGENCY/POLT. SUB: F | Revenue | | |
| REVIEWED | BY: Lyn Heaton | DATE: 2/23/2018 | PHONE: (402) 471-4181 | | |
| COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis. | | | | | |

LB 759 Fiscal Note 2018

| | State Agency Name: Department of Revenue Date Due LFA: 2/26/2018 | | | | | | |
|----------------------------|--|--|--|--|--|--|--|
| Date Prepared: | 2/15/2018 | | Phone: 471-5896 | | | | |
| FY 2018-2019 | FY 2019-2020 | | FY 2020-2021 | | | | |
| <u>rres</u> <u>Revenue</u> | Expenditures | Revenue | <u>Expenditures</u> | Revenue | | | |
| \$1,205,000 | 1 | \$1,862,000 | | \$1,918,000 | | | |
| \$43,000 | | \$75,000 | <u> </u> | \$78,000 | | | |
| | | | | | | | |
| \$8,000 | | \$13,000 | | \$14,000 | | | |
| \$1,256,000 | | \$1,951,000 | | \$2,010,000 | | | |
| | FY 2018-2019 ures Revenue \$1,205,000 \$43,000 \$8,000 | FY 2018-2019 Irres Revenue \$1,205,000 \$43,000 \$8,000 | FY 2018-2019 FY 2019-2020 ures Revenue Expenditures Revenue \$1,205,000 \$1,862,000 \$75,000 \$8,000 \$13,000 \$13,000 | FY 2018-2019 FY 2019-2020 FY 2020 ares Revenue Expenditures Revenue Expenditures \$1,205,000 \$1,862,000 \$75,000 \$43,000 \$75,000 \$13,000 | | | |

LB 759 repeals the sales and use tax exemption for purchases by, or admission to, nationally accredited zoos and aquariums meeting enumerated conditions and contained in Neb. Rev. Stat. § 77-2704.67. The exemption for zoos and aquariums was implemented in 2015, LB 419, § 3.

Sales and Use Tax Reg-1-044.09H would need to be repealed if this bill passes.

LB 759 is expected to increase revenue to the following funds:

| Fiscal Year | General Fund | State Highway Capital Improvement Fund | Highway Allocation Fund | Total |
|-------------|--------------|--|----------------------------|-------------|
| 2018-2019 | \$1,205,000 | \$43,000 | \$8,000 | \$1,256,000 |
| 2019-2020 | \$1,862,000 | \$75,000 | \$13,000 | \$1,951,000 |
| 2020-2021 | \$1,918,000 | \$78,000 | \$14,000 | \$2,010,000 |
| 2021-2022 | \$1,976,000 | \$80,000 | \$14,000 | \$2,070,000 |

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 | Benefits. | | | | | | |
| Operating Costs | | | | | | | |
| Travel | | | | | | | |
| Capital Outlay. | | | | | | | |
| Capital Improvements. | | | | | | | |
| Total | | | | | | | |