Douglas Gibbs February 12, 2018 402-471-0051

# LB 1030

## 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								
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 1030 amends Nebraska Revised Statutes Sections 13-2816 and 77-2703.01 regarding sales tax sourcing rules for motor vehicles and trailers operated by a public power district and registered under Section 60-3,228.

Section 13-2816 is amended to provide, for purposes of the sales and use tax imposed by a municipal county, that the sale of a motor vehicle or trailer operated by a public power district and registered under Section 60-3,228, is consummated at the place where the motor vehicle has situs, as defined in Section 60-349.

Section 60-3,228 (1) provides that "Upon application and payment of fees required pursuant to this section and section 60-3229, each motor vehicle and trailer operated by a public power district shall be issued permanent public power district license plates. The public power district license plates shall be issued by the county in which the public power district is headquartered."

Section 60-349 defines situs as "the tax district where the motor vehicle or trailer is stored and kept for the greater portion of the calendar year.

LB 1030 would now provide that for purposes of sales tax sourcing, the sales tax that would apply would be that of the tax district where the motor vehicle or trailer has situs instead of the public power district's headquarters tax district.

The bill has an operative date of January 1, 2021.

The Department of Revenue estimates that LB 1030 will have no fiscal impact to the General Fund. The bill will return any applicable local sales tax to the municipality where the vehicle has situs, rather than where the vehicle is registered, which could have a minimal impact to the Municipal Equalization Fund.

The Department of Revenue indicates minimal cost to implement the provisions of LB 1030.

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

The Department of Transportation indicates no fiscal impact to the Department as a result of the provisions of LB 1030.

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

The Department of Motor Vehicles indicates no fiscal impact as a result of the provisions of LB 1030.

We have no basis to disagree with the Department of Motor Vehicles" estimate of fiscal impact.

#### **IMPACT TO POLTICAL SUBDIVISIONS:**

This change may result in some counties receiving sales tax revenue that they previously did not receive or not receiving revenue they did receive previously, but the amount is indeterminate.

ADI	MINISTRATIVE SERVIC	CES STATE BUDGET DIVISION	I: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1030	AM:	AGENCY/POLT. SUB:	Dept. of Transportation		
REVIEWED BY: Lyn Heaton DATE: 2/13/2018 PHONE: (402) 471-4181					
COMMENTS: Concur with the Department of Transportation's estimate of no fiscal impact on the NDOT.					

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1030	AM:	AGENCY/POLT. SUB: Dept. of Revenue				
REVIEWED BY: Lyn Heaton		DATE: 2/13/2018	PHONE: (402) 471-4181			
COMMENTS: Concur with the Department of Revenue's estimate of no or minimal fiscal impact.						

#### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1030 AM:	AGENCY/POLT. SUE	3: Dept. of Motor Vehicles				
REVIEWED BY: Lyn Heaton	DATE: 2/9/2018	PHONE: (402) 471-4181				
COMMENTS: Concur. No fiscal impact on the Department of Motor Vehicles.						

## LB 1030

## Fiscal Note 2018

State Agency Estimate							
State Agency Name: Department of RevenueDate Due LFA:02/13/2018							
Approved by: Tony Fulton		Date Prepared:	02/9/2018		Phone: 471-5896		
	FY 201	8-2019	FY 201	19-2020	FY 20	20-2021	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0		\$0		\$0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		\$0		\$0	

State A com ou Estimate

LB 1030 would amend Neb. Rev. Stat. §§ 13-2816 and 77-2703.01 to provide that sales of any motor vehicle or trailer operated by a public power district will be sourced for state and local sales tax purposes at the place where the motor vehicle or trailer has situs as defined in section 60-349. Currently all motor vehicles and trailers are sourced for sales tax purposes where the motor vehicle or trailer is required to be registered. In 2016, LB 783 changed the place of registration for motor vehicles and trailers owned by certain large public power districts to the place the public power district is headquartered. LB 1030 would return the sourcing to the place where the motor vehicle or trailer has situs. Section 60-349 provides that situs is the place where the motor vehicle or trailer is stored and kept for the greater portion of the calendar year.

It is estimated that this bill will have no impact on General Fund revenues. This bill will return any applicable local sales tax to the municipality where the motor vehicle has situs, rather than where registered, which could have a minimal impact on the Municipal Equalization Fund.

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

The operative date for this bill is January 1, 2021.

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 <u>Expenditures</u>	19-20 <u>Expenditures</u>	20-21 <u>Expenditures</u>	
Benefits								
	Travel							
Capital Outlay								
Capital Improvement	Capital Improvements							

Please complete <u>ALL</u> (5) blanks in the first three lines.

<b>LB</b> <sup>(1)</sup>	1030					FISCAL NOTE				
State Agency OR Political Subdivision Name: <sup>(2)</sup>			Department of Mo	Department of Motor Vehicles						
Prepare	d by: <sup>(3)</sup>	Bart Moore	Date Prepared: (4)	January 18, 2018	Phone: (5)	(402)471-3902				
		ESTIMATE PROVIE	DED BY STATE AGENO	Y OR POLITICAL	SUBDIVISIC	DN				
		<u>EXPENDITURES</u>	<u>2018-19</u> <u>REVENUE</u>	<u>EXPENDITU</u>	<u>FY 2019</u> IRES	<u>-20</u> <u>REVENUE</u>				
GENER	AL FUND	S								
CASH F	UNDS									
FEDER	AL FUND	s								
OTHER	R FUNDS									
TOTAL	- FUNDS									
Explana	ition of Est	imate:								
No Fiso	cal Impac	t								

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE							
Personal Services:							
	NUMBER OF	POSITIONS	2018-19	2019-20			
POSITION TITLE	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>			
Benefits							
Operating							
Travel							
Capital outlay	•						
Aid							
Capital improvements							
TOTAL							
IUTAL							

2018

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB <sup>(1)</sup> 1	030				FISCAL NOTE
State Agency	OR Polit	ical Subdivision Name: <sup>(2)</sup>	Nebraska Departr	nent of Transportation	
Prepared by	/: <sup>(3)</sup> _B	ecky Fleming	Date Prepared: <sup>(4)</sup>	2/8/18 Phone: (5)	(402) 479-4692
		ESTIMATE PROVID	ED BY STATE AGENO	Y OR POLITICAL SUBDIVISI	ON
		EV	2018-19	FY 201	9-20
		EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL	FUNDS				
CASH FUN	DS				
FEDERAL	FUNDS				
OTHER FU	INDS				
TOTAL FU	INDS				

Explanation of Estimate:

LB 1030 changes the sales tax sourcing rules for motor vehicles and trailers operated by public power districts. The sale of any motor vehicle or trailer operated by a public power district is completed at the place where the motor vehicle or trailer is stored or kept for the greater portion of the calendar year. This may change the county that is collecting the sales tax.

No fiscal impact is anticipated to the Department.

BREAKD	BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE							
Personal Services:								
POSITION TITLE	NUMBER OF <u>18-19</u>	POSITIONS <u>19-20</u>	2018-19 <u>EXPENDITURES</u>	2019-20 <u>EXPENDITURES</u>				
		. <u></u>						
	<u> </u>							
Benefits								
Operating								
Travel								
Capital outlay								
Aid								
Capital improvements								
TOTAL								