PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 22, 2019 402-471-0059

LB 162

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	9-20	FY 2020-21			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		\$2,616,000		\$3,723,000		
CASH FUNDS		\$106,000		\$151,000		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		\$2,722,000		\$3,874,000		

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

LB 162 amends the Nebraska Revenue Act of 1967 to include the gross income received for body piercing, tattooing, tanning, and electrolysis hair-removal services in the definition of gross receipts for purposes of sales and use tax.

The bill is operative October 1, 2019.

Revenue:

The Department of Revenue estimates the following revenue to the State General Fund, the State Highway Capital Improvement Fund, and the Highway Allocation Fund:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total
2019-20	\$2,616,000	\$106,000	\$19,000	\$2,741,000
2020-21	\$3,723,000	\$151,000	\$27,000	\$3,901,000
2021-22	\$3,985,000	\$161,000	\$28,000	\$4,174,000

Based upon the data available, these estimates seem reasonable.

Expenditures:

The department estimates minimal costs to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 162	AM:	AGENCY/POLT. SUB: Department of Revenue	ue		
REVIEWED BY:	Lee Will	DATE: 2/26/2019	PHONE: (402) 471-4175		
COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact.					

LB 162 Fiscal Note 2019

		State Agency	Estimate			
State Agency Name: Department	t of Revenue				Date Due LFA:	2/26/19
Approved by: Tony Fulton		Date Prepared:	2/22/19		Phone: 471-5896	
FY 2019		-2020	FY 2020	-2021	FY 202	21-2022
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0	\$2,616,000	\$0	\$3,723,000	\$0	\$3,985,000
Cash Funds		\$106,000		\$151,000		\$161,000
Federal Funds						
Other Funds		\$19,000		\$27,000		\$28,000
Total Funds	\$0	\$2,741,000	\$0	\$3,901,000	\$0	\$4,174,000
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LB 162 adds body piercing, tattooing, tanning, and electrolysis hair-removal services as taxable services by including gross income from such services in the definition of gross receipts.

The bill has an operative date of October 1, 2019.

The Department estimates the following impact on fund revenues:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total	
2019-20	\$2,616,000	\$106,000	\$19,000	\$2,741,000	
2020-21	\$3,723,000	\$151,000	\$27,000	\$3,901,000	
2021-22	\$3,985,000	\$161,000	\$28,000	\$4,174,000	

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

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 Expenditures	21-22 Expenditures
Benefits							
Operating Costs.							
Travel							
Capital Improvements Total							