

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1040 would create an excise tax on ethanol production in Nebraska and eliminate an excise tax on corn and grain sorghum. The fiscal impact of LB 1040 includes:

Ethanol production excise tax -- From October 1, 2012 through September 30, 2019, a one cent per gallon excise tax would be imposed on ethanol production in Nebraska. It is estimated that ethanol production in the state may range from 2 to 2.5 billion gallons by 2012. Because of quarterly collections and an October 1 effective date, revenue from this tax in FY12-13 would total \$10,500,000 to \$12,500,000. Annualized revenue in subsequent fiscal years would total \$20,000,000 to \$25,000,000.

Elimination of grain excise tax -- LB 1040 would eliminate the 3/5 cent excise tax on corn and grain sorghum that is scheduled to take effect on October 1, 2012 and be deposited in the Water Resources Cash Fund. It is estimated that this funding source would have produced approximately \$7,545,000 in revenue annually. Because of quarterly collections and an October 1 effective date, revenue from this fee in FY12-13 would have produced \$3,772,500.

Department of Revenue expenses -- The Department of Revenue would be responsible for collection of the ethanol production excise tax. It is estimated that approximately \$16,000 in cash fund expenditures would occur in FY11-12 to establish a collection and tracking system.

Department of Agriculture expenses -- The Department of Agriculture would not incur expenses to collect the grain excise tax. It is estimated that an \$8,000 reduction in revolving fund would occur in FY12-13.

Net impact to the Water Resources Cash Fund – It is estimated that LB 1040 would produce an additional \$5,700,000 to \$8,700,000 in revenue to the Water Resources Cash Fund in FY12-13. The annualized revenue increase to the Water Resources Cash Fund would be \$12,500,000 to \$17,500,000.