

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 648 provides that commencing July 1, 2026, the rate of the sales tax levied pursuant to section 77-2703 shall be XX percent, except that such rate shall be 2.75% on transactions that occur within that portion of a good life district established pursuant to the Good Life Transformational Projects Act which is located within the corporate limits of a city or village.

The bill also amends section 77-27,132 to credit to the Highway Trust Fund all of the proceeds of the sales and use taxes derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers, except that the proceeds equal to any sales tax rate provided for in section 77-2701.02 that is in excess of XX percent derived from the sale or lease for periods of more than 31 days of motor vehicles, trailers, and semitrailers shall be credited to the Highway Allocation Fund.

The bill becomes operative on July 1, 2026.

The Department of Revenue (DOR) estimates an indeterminate impact to General Fund revenues. This impact would depend on the change in sales tax rate.

The DOR also estimates no cost to it under the bill, as written. A change in sales tax rate is estimated to have costs connected to changing the rate.

The Nebraska Department of Transportation (NDOT) estimates that a change in the sales tax rate under the bill would impact the Highway Trust Fund and Aeronautics Capital Improvement Fund. NDOT notes that without a new rate being specified in the bill, the overall fiscal impact is indeterminable at this point.

Any changes to sales tax rates made as a result of the bill would also impact the Game and Parks Commission Capital Maintenance Fund and the Highway Allocation Fund, which is distributed to cities and counties.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 647	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang	DATE: 3/21/2025	PHONE: (402) 471-4178	
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 647 is reasonable.			
Technical Note: As written, the bill has no fiscal impact. If the bill were amended in a way that affects sales tax rates, then such a change would have a fiscal impact upon the Department of Revenue and the General Fund.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 648	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation (NDOT)	
REVIEWED BY: Ryan Yang	DATE: 3/20/2025	PHONE: (402) 471-4178	
COMMENTS: Concur with the NDOT assessment of indeterminable fiscal impact from the current version of LB 648.			

Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 648

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Transportation

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 3/19/2025 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	See below	See below
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	See below	See below
TOTAL FUNDS	=====	=====	See below	See below

Explanation of Estimate:

LB648 appears to be a placeholder bill and amends the sales tax rate from the current 5.5% to “xx percent” beginning July 1, 2026. In addition, the bill changes the sales tax distribution to the Highway Allocation Fund on motor vehicles sales and leases for periods of more than 31 days from the amount generated from any rate in excess of 5% to the amount generated from any rate in excess of “xx percent”.

When a change to the sales tax rate is determined and identified in the bill, the change in the rate will affect the revenue to the Highway Trust Fund (motor vehicle sales) and Aeronautics Capital Improvement Fund (aircraft sales). Without a new rate being specified in the bill, the overall fiscal impact is undeterminable at this point.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

