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PREPARED BY: Scott Danigole
DATE PREPARED: March 11, 2011
PHONE: 471-0055

LB 165

Revision: 01

Updated to reflect all amendments adopted to date.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				(14,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				(14,000)

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

LB 165, as amended, changes provisions related to the imposition of occupation tax on the receipts from the sale of telecommunications service.

The amended bill limits the occupation tax rate that a municipality can levy for telecommunications services to 6.25%. The tax may only be placed on telecommunications services as defined in section 77-2703.01(7)(aa) beginning January 1, 2013. Municipalities may increase the occupation tax by .25% with a vote of the people.

Beginning January 1, 2013, occupation tax cannot be levied on equipment.

The Department of Revenue estimates General Fund revenue losses as follows:

Fiscal year 2011-12	(\$0)
Fiscal year 2012-13	(\$14,000)
Fiscal year 2013-14	(\$35,000)
Fiscal year 2014-15	(\$36,000)

There is no basis to disagree with these estimates.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/11/11	PHONE	471-2526
COMMENTS					
PUBLIC SERVICE COMMISSION: Concur. No fiscal impact to the Public Service Commission.					

FISCAL NOTE LB165

Public Service Commission

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LEGISLATIVE FISCAL

Prepared By	Burvainis, John
Date Prepared	3/3/2011
Prepared Phone	402-471-0240

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

The bill, as amended by AM 316 and AM 503 will have no fiscal impact on this agency.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

2011 Legislative Bill Proposal Fiscal Note

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Bill #: 165 AM 316 & AM 503

State Agency: Administrative Services – Office of the CIO

Prepared by: Steve Schafer

Date Prepared: 3/7/2011

LEGISLATIVE FISCAL

Phone: 402-471-4385

Approved by:

Estimate of Fiscal Impact – State Agencies

	FY 2011-12		FY 2012-13	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

AM 316 and AM 503 replace the original provisions of LB 165. The changes in AM 316 and AM 503 restrict the authority of municipalities to levy a tax on telecommunications services. Under the provisions of AM 316 and AM 503, municipalities can only impose a tax on services and the tax is limited to 6.25%, starting January 1, 2013, except that municipalities can exceed the limit with a vote of the electorate.

AM 316 and AM 503 would have no fiscal impact on the Office of the CIO, because state government is currently exempt from locally imposed taxes.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					

FISCAL NOTE LB165
City of Omaha

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LEGISLATIVE FISCAL

Prepared By	Larsen, Sheri
Date Prepared	3/8/2011
Prepared Phone	402-444-5477

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

LB 165 as amended by AM 316 & AM 503 does not have a significant financial impact on the City of Omaha.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures

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Fiscal Note 2011

LB 165 AM 503

State Agency Estimate

State Agency Name: Department of Revenue

Date Prepared: 1/31/2011

Date Due LFA: 1/19/2011

Approved by: Douglas Ewald

Phone: 471-5700

	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds				(\$14,000)		(\$35,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds				(\$14,000)		(\$35,000)

Amendment 503 to LB 165 places a limit on the occupation tax rate a municipality can levy for telecommunications services at 6.25%, which is the rate currently levied by the City of Omaha. The tax may only be placed on telecommunications services as defined in Section 77-2703.04(7)(aa). The municipality may increase this occupation tax by 0.25% through a vote of the people. As written, the amendment would forbid this occupation tax from being levied on equipment purchases beginning January 1, 2013.

The General Fund impact of this amendment is associated with the loss of sales tax revenue on the occupation tax levied on equipment in the City of Lincoln. The impact assumes that no additional cities will adopt an occupation tax on this equipment between now and January 1, 2013.

- FY 2011-12: \$0
- FY 2012-13: (\$14,000)
- FY 2013-14: (\$35,000)
- FY 2014-15: (\$36,000)

Departmental cost to implement the bill is minimal.

Major Objects of Expenditure

Class Code	Classification Title	11-12	12-13	13-14	11-12	12-13	13-14
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>

