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DATE PREPARED: March 06, 2012
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LB 209

Revision: 01

Revised to reflect amendments adopted on General File

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$1,683,000)		(\$133,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$1,683,000)		(\$133,000)

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

LB 209, as amended by AM 1949, amends Nebraska Revised Statute Section 77-27,144 regarding the collection of the local option sales tax and refunds deducted from the same.

The bill would impose a one year delay on the deduction of local option sales tax refunds made pursuant to the Employment and Investment Growth Act (LB 775) from sales taxes remitted to first and second class cities and villages. The Department is required to notify the municipality of the pending deduction, the amount of the deduction, and the month in which the deduction will be made.

The bill, as amended, now also provides that when the total amount of refunds exceeds 25% of the municipality's sale and use tax receipts for the prior fiscal year, the Department of Revenue in addition to the one-year notification shall deduct those refunds from the municipality's receipts over the period of a year in twelve equal monthly payments.

The Department of Revenue indicated the fiscal impact to the General Fund as follows:

FY2012-13:	(\$1,683,000)
FY2013-14:	(\$ 133,000)
FY2014-15:	\$ 476,000
FY2015-16:	\$ 600,000

The Department indicates there will be minimal costs to implement LB 209.

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/15/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: No basis upon which to disagree.					

