Doug Gibbs January 18, 2011 471-0051

**LB 81** 

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	SCAL IMPACT – STA	ATE AGENCIES *		
	FY 2011-12		FY 2012-13		
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					

LB 81 amends Sections 14-109 (Metropolitan Class City), 15-203 (Primary Class City), 16-205 (First Class City), 17-525 (Second Class City and Villages) dealing with the occupation tax, to prohibit the levying of a license or occupation tax on nonresidents of such city.

Section 14-109 is also amended to prohibit a city of the Metropolitan Class from levying a motor vehicle registration fee on a nonresident of such city.

Section 18-1214, which applies to all cities and villages, is amended to prohibit the levying of a license or occupation tax on nonresident motor vehicles.

The bill has an operative date of January 1, 2011.

The Department of Revenue indicates that LB 81 will not have an impact on state or local option sales and use tax revenue. The bill imposes no limitation on the ability of businesses to pass along an occupation tax to all customers, whether or not the occupation tax is separately stated. Since occupation taxes are imposed on businesses, the resident/nonresident distinction is irrelevant.

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

<sup>\*</sup>Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

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LB 81 Fiscal Note 2011

State Agency Estimate No. 18 Physical Leading State Agency Estimate 10 11 11 11 11 11 11 11 11 11 11 11 11									
State Agency Name: Department of	f Revenue		-		Date Due LFA:	1/19/2011			
Approved by: Douglas Ewald		Date Prepared: 1/13/201		Phone: 471-5700					
	FY 2011	FY 2011-2012		2-2013	FY 2013-2014				
	Expenditures	Revenue	Expenditures	Revenue	<b>Expenditures</b>	Revenue			
General Funds									
Cash Funds									
Federal Funds									
Other Funds									
Total Funds						1			

LB 81 prohibits a city of metropolitan, primary, first or second class, or a village from imposing a license or occupation tax on a nonresident of the city or village.

LB 81 also prohibits a city of metropolitan, primary, first or second class, or a village from imposing a registration fee on any motor vehicle owned or used in the city if the vehicle is owned or used in the city by a nonresident of that city.

LB 81 will not have an impact on state or local option sales and use tax revenue. This is because the bill imposes no limitations on the ability of businesses to pass along an occupation tax to all customers, whether or not the occupation tax is separately stated. Since occupation taxes are imposed on businesses, the resident/nonresident distinction is irrelevant.

LB 81 affects cities, and will not result in administration costs for the Department.

Major Objects of Expenditure								
Class Code	Classification Title	11-12 FTE	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures	
Operating Costs								
Aid								
Fotal								