

Revised due to adoption of amendment.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 745, as amended by AM1910, amends the Nebraska Revenue Act of 1967 Section 77-2708 regarding sales and use taxes.

The bill inserts new language that, beginning July 1, 2020, the Department of Revenue shall notify any affected municipality or municipal county of any refund claim of local option sales and use taxes that amounts to at least \$5,000 within 20 days of such a claim. If the claim is allowed the affected municipality or county shall be notified and given the option of having the refund deducted from the applicable tax proceeds in a lump sum or in 12 equal monthly installments.

LB 745 does not apply to refunds under the incentive acts.

The Department of Revenue indicates that because the refunds would still be issued to the taxpayer, but recovery by the state would be spread out over 12 months, LB 745 would cause an immediate reduction to the General Fund in the first year of operation, with smaller impacts in later years. The estimated impact to the General Fund, assuming all city, village, county, or municipal counties elect to take the option of 12 equal monthly installments is as follows:

FY2018-19:	\$	0
FY2019-20:	\$	0
FY2020-21:	(\$	1,070,000)
FY2021-22:	(\$	79,000)
FY2022-23:	(\$	83,000)

The Department of Revenue indicates a minimal cost to implement the provisions of LB 745.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.