

Revised to clarify fiscal impact

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2020-21 | | FY 2021-22 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | See below | | See below |
| CASH FUNDS | | See below | | See below |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | See below | | See below |

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

LB 923 amends the Revenue Act of 1967 to exclude gross income received by an electric cooperative or an electric membership association for the lease or use of, or by a contractor for the construction of or services provided on, electric generation, transmission, distribution, or street lighting or facilities owned by the cooperative or electric membership association from the definition of gross receipts.

The bill is operative July 1, 2020.

Revenue:

The Department of Revenue estimates revenue to the General Fund, the State Highway Capital Improvement Fund, and the Highway Allocation Fund as follows:

| Fiscal Year | General Fund | State Highway Capital Improvement Fund | Highway Allocation Fund |
|-------------|---------------|--|-------------------------|
| 2020-2021 | (\$3,263,000) | (\$120,000) | (\$21,000) |
| 2021-2022 | (\$3,375,000) | (\$137,000) | (\$24,000) |
| 2022-2023 | (\$3,624,000) | (\$147,000) | (\$26,000) |
| 2023-2024 | (\$3,806,000) | (\$154,000) | (\$27,000) |

Similarly to Laws 2019, LB 218, this bill proposes to exclude certain charges from sales tax, which has not been previously collected. As such, while the department’s estimate of revenue loss represents an obligation, as determined by the department, the fiscal impact is potential foregone revenue of indeterminate amount. Therefore, we determine that the specific amount is not included in the current revenue forecast and not shown as a specific General Fund or Cash Fund revenue loss.

Expenditures:

The department estimates no cost to implement the bill. There is no basis to disagree with this estimate.

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| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
| LB: 923 | AM: | AGENCY/POLT. SUB: Department of Revenue | |
| REVIEWED BY: Lee Will | DATE: 01/28/2020 | PHONE: (402) 471-4175 | |
| COMMENTS: The Department of Revenue’s assessment of fiscal impact seems reasonable given the assumptions used. | | | |

