

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below	See below	See below	See below
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

Due to time constraints under the accelerated schedule, an estimate of fiscal impact is not available at this time. An estimate will be provided and this fiscal note will be revised once more information is available.

LB 133 seeks to amend various sections related to taxation, and to enact the Nebraska EPIC Consumption Tax Act (EPIC Act). LB 133 changes the following:

- The Nebraska Budget Act;
- Tax-increment financing;
- Property tax;
- The inheritance tax;
- Sales and use taxes;
- The income tax;
- The Homestead exemption;
- The Tax Equity and Educational Opportunities Support Act (TEEOSA); and
- The Community College Aid Act.

Additionally, LB 133 changes the deadline for applications under the ImagiNE Nebraska Act to be the effective date of the EPIC Consumption Tax Act.

LB 133 transfers \$240 million from the Cash Reserve Fund to the Consumption Tax Transition Fund on or before December 31, 2023.

The Nebraska Budget Act:

Under LB 133, The Nebraska Budget Act will be terminated as of January 1, 2024. After this date, the EPIC Act will dictate the budget process. This will require restructuring and significant changes for all political subdivisions to comply with the EPIC Act.

Property Tax:

Under LB 133, the ability to levy property tax will be terminated as of January 1, 2024. Any taxes due from 2023 will still be collected during 2024, but no further property taxes shall be imposed. Along with this, the division of taxes for tax-increment financing will also be terminated. With the termination of property taxes, the Homestead Exemption, TEEOSA, and Community College Aid Act will end.

The Inheritance Tax:

Under LB 133, no inheritance tax will be imposed as of January 1, 2024. Any tax due from 2023 may be collected.

Sales and Use Taxes:

Under LB 133, the Sales and Use tax of the Nebraska Revenue Act of 1967 will be terminated as of January 1, 2024. The same applies to the Local Option Revenue Act and the Qualified Judgement Payment Act. The current recipients of state sales and use tax are the General Fund, Department of Transportation, and cities and counties through the Highway Allocation Fund.

The Income Tax:

Under LB 133, the state income tax of the Nebraska Revenue Act of 1967 will be terminated as of January 1, 2024. Any income tax due from 2023 may still be collected, but no new income tax shall be imposed.

The Nebraska EPIC Consumption Tax Act:

LB 133 establishes the Nebraska EPIC Consumption Tax Act, which is to replace the various sources of tax revenue currently being used by the state and local institutions. Under the EPIC Act, taxable property and services will be taxed at a rate of 10.64%. The following items are exempt from the consumption tax:

- The sale of land;
- The purchase of fuel;
- The purchase of taxable property or services for business purpose;
- The purchase of taxable property or service for investment purpose;
- The purchase of taxable property or service for educational purposes; and
- The purchase of used property.

LB 133 allows for any person engaging in a trade or business, including farms and ranches, to apply for a tax-exempt certificate. This application is to be created by the Tax Commission, as well as any relevant rules and regulations. The tax-exempt certificate is required to contain an identification number unique to the applicant.

LB 133 allows for qualifying families to receive a monthly consumption tax allowance. For such families, they will be required to apply for certification with the Department of Revenue through a form created by the Tax Commissioner. Upon approval, a qualified family will receive an amount equal to the consumption tax rate multiplied by the relevant federal poverty rate. In the first five days of each month, a qualified family would receive 1/12 of this amount. If any significant changes occur within a qualified family, they would be required to fill out a form with the Department of Revenue detailing the change.

LB 133 requires all registered sellers or liable persons to remit consumption taxes on or before the fifteenth day of each month to the Tax Commissioner, along with the completion of a form reporting various details relating to gross payments received and taxes collected for the prior month. The EPIC Act allows for registered sellers to deduct 0.25% from the consumption tax they collect to reimburse for the cost to collect the tax.

LB 133 identifies large sellers as any seller that has collected more than \$100,000 in consumption tax in the prior 12 months. These sellers are required to remit their taxes due to the Tax commissioner on the first Monday or first business day following the end of the week. These sellers are required to provide security in the form of a cash bond, surety bond, a certificate of deposit, or a treasury bond in an amount equal to \$100,000 or 1.5 times the average tax liability of the large seller, whichever is greater.

LB 133 requires the Tax Commissioner to prepare an annual report beginning in 2025 to present to the Revenue Committee. This report is to include information on the audits, assessments, or examinations done by the Department of Revenue in the previous year.

LB 133 establishes a new process of budgeting for state agencies and other political subdivisions. Beginning in 2023, each state agency, county board, and state college system is to submit an annual budget to the appropriations committee chairperson and to the Governor. An annual request for an agency is limited to the amount equal to the percentage change in the Consumer Price Index for All Urban Consumers, which is released by the federal Bureau of Labor Statistics. In the event of a disaster, the agency can petition the legislature for an additional 2.5% budget increase.

Beginning in 2023, LB 133 seeks to expand the Department of Education to include all public elementary and secondary schools. Annually, each school will be required to send their budget request to the Department of Education, which will include these requests in its own annual budget request. Starting January 1, 2024, the primary revenue source for these schools shall be the taxes collected under the Nebraska EPIC Consumption Tax Act.

Beginning in 2023, the Governor is to submit an annual budget to the legislature by October 1. This will then be processed by the appropriations committee, who will present a comprehensive budget to the legislature, of which balances expenses with the projected revenue by the Nebraska Economic Forecasting Advisory Board.

The disbursement of consumption tax revenue is identified as the sole responsibility of the State Treasurer. Payments to county boards will be disbursed on a semiannual basis by the State Treasurer.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 133	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY:	Lee Will	DATE: 02/01/2021	PHONE: (402) 471-4175
COMMENTS: No basis to disagree with the Department of Education's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: Nebraska Community College Association

REVIEWED BY: Lee Will DATE: 01/25/2021 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with the Nebraska Community College Association's assessment of fiscal impact related to the reduction in revenue due to the elimination of property tax collections.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: Department of Transportation

REVIEWED BY: Lee Will DATE: 02/01/2021 PHONE: (402) 471-4175

COMMENTS: The Department of Transportation's assessment of fiscal impact seems reasonable given the assumptions used.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: Douglas County

REVIEWED BY: Lee Will DATE: 02/01/2021 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with Douglas County's assessment of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: Lancaster County

REVIEWED BY: Lee Will DATE: 02/01/2021 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with Lancaster's assessment of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: City of Lincoln

REVIEWED BY: Lee Will DATE: 02/01/2021 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with the City of Lincoln's assessment of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 133 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials

REVIEWED BY: Lee Will DATE: 01/21/2021 PHONE: (402) 471-4175

COMMENTS: NACO's assessment of fiscal impact seems reasonable given the assumptions used.

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson/Janice Eret Date Prepared: ⁽⁴⁾ 1/22/21 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

If this bill passes in the current form, the Nebraska taxes would be completely restructured. Property, Income, Sales, and Inheritance taxes will be repealed on 12/31/24. A consumption tax would replace those taxes. This consumption tax will be 10.64% on product and services subject to this tax with some exemptions. State agencies, University System, State College System and county boards would be limited to CPI growth each year. This growth can be exceeded if an emergency exist (up to 2.5%) and or a national disaster is declared (up to a 5% increase).

Beginning in 2023/24 school year, NDE budget would include budgets of school districts and ESUs. Provisions of TEEOSA would be repealed as of 1/1/24 and governed by the NE EPIC Consumption Tax Act. There is no detail on the calculation for school funding detailed in this bill. There appears to be a shift of local control for school district and ESU budgets to State control.

LB 133 limits spending for school districts, ESUs, and the NDE budget as growth would be limited to the annual CPI.

Since this bill completely changes the taxing structure in Nebraska and how Governmental agencies are funded the fiscal impact is complex and cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____

TOTAL.....

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Greg Adams Date Prepared: ⁽⁴⁾ 1/12/2021 Phone: ⁽⁵⁾ 402 471 4685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

It is difficult to estimate the full fiscal impact of this bill on Nebraska's community colleges. At minimum, if the bill were to be enacted, using 2020-21 college budget year numbers, the colleges would see a loss of approximately \$238,883,591.00 of property tax revenue because of the EPIC Consumption Tax Act eliminating the ability of the six colleges to collect property tax. If the authority of the six colleges to levy a property tax was repealed as of January 1, 2024, it is difficult to estimate the difference in revenue to the colleges between property tax that would have been collected and new state general fund dollars intended to replace the property tax.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 1/28/2021 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB133 applies to NDOT with respect to the elimination of sales and use tax as it currently exists effective January 1, 2024. The bill creates the Nebraska EPIC Consumption Tax. The EPIC Consumption Tax imposes a tax on the use or consumption of taxable property or services in the State of Nebraska at a rate of 10.64% with all proceeds credited to the General Fund. Section 8 of the bill provides exemptions from the EPIC Consumption Tax of which fuel is included.

NDOT has estimated, with guidance from the Department of Revenue, the fiscal impact to the State Highway Capital Improvement Fund (NDOT), the Highway Cash Fund (NDOT) and the Highway Allocation Fund (cities and counties) would be as follows:

	State Highway Capital Improvement Fund	Highway Cash Fund	Highway Allocation Fund (Cities and Counties)
FY2022-23	\$ -	\$ -	\$ -
FY2023-24	\$ (28,100,000)	\$ (33,100,000)	\$ (40,200,000)
FY2024-25	\$ (87,400,000)	\$ (135,800,000)	\$ (159,700,000)
FY2025-26	\$ (90,400,000)	\$ (139,200,000)	\$ (163,800,000)
FY2026-27	\$ (93,600,000)	\$ (142,600,000)	\$ (168,100,000)

If enacted, the bill would have not directly impact NDOT's revenues during the upcoming biennium but will require adjustments to scheduling of highway construction projects due to the period of time required to design and plan projects.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB133⁽¹⁾ *Adopt the Nebraska EPIC Consumption Tax Act and eliminate certain other taxes*

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ DOUGLAS COUNTY, NEBRASKA

Prepared by: ⁽³⁾ Marcos San Martin, County Administration Date Prepared: ⁽⁴⁾ 1/29/2021 Phone: ⁽⁵⁾ 402.444.5116

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:

NEGATIVE (DETRIMENTAL) FISCAL IMPACT TO DOUGLAS COUNTY

LB133 will create the potential for a significant loss of tax revenue to all political subdivisions. The demand for and cost of providing direct services will likely continue to outpace the annual rate increase allowance outlined by LB133, which limits the annual budget increase to that of the prior year plus no more than the percentage change in the 'Consumer Price Index for All Urban Consumers', or upon petition to the Legislature, on a year-by-year basis of +2.5% maximum.

In addition, a conversion to a consumption tax only based system, may result in a disparate impact to lower income and vulnerable populations. Such tax structure may have the unintended consequence of requiring additional local spending for General Assistance services/programming for residents.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-14-21 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Lancaster County’s revenue would decrease because of the elimination of property taxes and inheritance taxes. The County’s budgeted amount of property tax for FY20-21 was \$83.5 million and the amount for inheritance tax was \$5 million. The bill will not be effective until July 1, 2024 so the amount of property tax will be slightly higher. Estimating the amount of reduction in other revenues is almost impossible because of unknown variances. Interest earnings will be subject to when money is received at the county level versus when property tax was collected. Any changes to motor vehicle tax could result in a \$10 million loss in revenue to the county.

Estimating the changes in expenditures is impossible because of the unknown changes that could happen. Departments will need to be reorganized and policies and procedures will change tremendously due to the elimination of property taxes.

Payroll changes would need to be made and Lancaster County has implemented a new payroll system and that system would need to be updated.

Lancaster County will need to determine if a county consumption tax will be implemented. Collection and remittance policies and procedures would need to be implemented.

The County Treasurer’s office will need to determine what revenues will still be collected at the county level. Property taxes are just a piece of what is collected. Distributions to local subdivisions will need to be changed.

The County Assessor/Register of Deeds office will need to be reorganized due to the elimination of property taxes.

Outstanding bonds that are backed by property tax will need to be reviewed.

The budget process will need to be reviewed because of the elimination of the Nebraska Budget Act. The bill requires a request be sent to the Governor and the chairperson of the Appropriations Committee. The information to be sent will drive what the county will need to do to comply.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/27/21 Phone: ⁽⁵⁾ 402-441-8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The fiscal impact is indeterminable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 133

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/11/2021 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Adopt the Nebraska EPIC Consumption Tax Act and eliminate certain other taxes – look at dates of implementation

Real and personal property taxes would be repealed by LB 133. In 2019, counties levied over \$2.6 billion in property taxes. Inheritance tax in 2019/2020 collected by counties was nearly \$63.1 million and LB 133 would eliminate this tax. The Qualified Judgment Payment Act would be repealed. In 2020, for January to October, collections under the Qualified Judgment Payment Act were over \$1.36 million.

These lost taxes would need to be replaced for each county. Some counties would need to apply to the Appropriations Committee to make their budget.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____