

Revised to include estimate of fiscal impact.

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.

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.

General Fund Impact:

The Department of Revenue estimates the consumption tax from LB 133 to generate the following revenue to the General Fund:

- FY22-23: \$0
- FY23-24: \$3,839,000,000
- FY24-25: \$9,541,000,000
- FY25-26: \$9,879,000,000
- FY26-27: \$9,879,000,000

This revenue gain will be offset by the elimination of income, sales, property, and inheritance tax, which will cause a revenue loss of:

- FY22-23: \$0
- FY23-24: (\$2,187,000,000)
- FY24-25: (\$8,134,000,000)
- FY25-26: (\$11,206,000,000)
- FY26-27: (\$11,664,000,000)

Net expenditures for the general fund are expected to change as well. The elimination of the Homestead Exemption and Real Property Tax Credit will decrease expenditures, but will be offset by the monthly consumption tax allowance provided for in LB 133. This net change in General Fund expenditures is as follows:

- FY22-23: \$0
- FY23-24: \$868,000,000
- FY24-25: \$1,377,200,000
- FY25-26: \$1,407,500,000
- FY26-27: \$1,438,600,000

The Department of Revenue assumes that a portion of the new revenue will be used to redistribute back to all of the funds and political subdivisions impacted by the Nebraska EPIC Consumption Tax Act. This includes the Highway Allocation Fund, the State Highway Capital Improvement Fund, the Highway Cash Fund, political subdivisions that levy property taxes, counties with local sales tax, etc. The net impact of all funds is estimated as follows by the Department of Revenue:

- FY22-23: \$0
- FY23-24: \$434,600,000
- FY24-25: (\$970,100,000)
- FY25-26: (\$3,765,900,000)
- FY26-27: (\$3,937,900,000)

Please refer to the Department of Revenue's fiscal note for a detailed breakdown on the General Fund impact.

There is no basis to disagree with these estimates.

Expenditures:

The Department of Revenue estimates a one-time OCIO programming charge of \$1,331,242 to implement LB 133.

Additionally, DOR projects the need for additional staff beginning in FY22-23, including Training Specialists, Revenue Agents, Fiscal Compliance Analysts, Revenue Auditors, and more. The personnel costs expected for these staff are as follows:

- FY21-22: \$0
- FY22-23: \$68,700
- FY23-24: \$517,800
- FY24-25: \$422,137
- FY25-26: \$1,833,995
- FY26-27: \$2,475,731

This is expected to be offset by a reduction in staff beginning in FY24-25 as tax issues are completed and positions are eliminated or reassigned. These positions are primarily those relating to property assessment and revenue operations. The expenditure reduction is projected as follows:

- FY24-25: (\$2,035,804)
- FY25-26: (\$2,593,740)
- FY26-27: (\$3,103,151)

Please refer to the Department of Revenue's fiscal note for a detailed breakdown on the expected personnel changes.

There is no basis to disagree with these estimates.

Local Impact:

The impact to counties and other political subdivisions will be significant. The revenue sources for nearly all political subdivisions will be eliminated with the repealing of the inheritance, sales and use, and property tax. The EPIC Consumption Tax Act allows for counties, cities, or villages to impose their own consumption taxes, which will offset the revenue loss if utilized.

The sections of the EPIC Consumption Tax Act that change the Nebraska budget process will also significantly impact counties and other political subdivisions. These entities will need to restructure their process to comply with the new requirements, which could create substantial expenditures for staffing and programming.

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.

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: Tony Fulton				Date Prepared: 2/2/2021		Phone: 471-5896	
	FY 2021-2022		FY 2022-2023		FY 2023-2024		
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	
General Funds	See Below	See Below	See Below	See Below	See Below	See Below	
Cash Funds		See Below		See Below		See Below	
Federal Funds							
Other Funds		See Below		See Below		See Below	
Total Funds	See Below	See Below	See Below	See Below	See Below	See Below	

LB 133 section 1 creates the Nebraska EPIC Consumption Tax Act (EPIC Act). EPIC stands for elimination of property, income and corporate taxes.

Section 2 adds definitions to the EPIC Act.

Sections 3 through 5 repeal the state income tax; sales and use tax; all local sales and use taxes pursuant to the Local Option Revenue Act, Qualified Judgment Payment Act, §§ 13-319 and 13-2813; the property tax; and the inheritance tax. These repeals are effective at the end of the day on December 31, 2024. Income taxes due from 2023 may be collected during the calendar year (CY) 2024, but income earned in 2024 will not be subject to the income tax. Sales and use taxes due from 2023 may be collected during the CY 2024, but no sales and use taxes will be imposed on purchases of goods and services beginning January 1, 2024. Property taxes due from 2023 may be collected during CY 2024, but no property taxes will be imposed beginning January 1, 2024. Inheritance taxes due from 2023 may be collected during CY 2024, but no inheritance taxes will be imposed on a deceased person’s estate beginning January 1, 2024. It is unclear if the Department of Revenue (Department) or the counties remain empowered to collect delinquent taxes beyond 2024.

Section 6 establishes the Nebraska Taxpayer’s Bill of Rights.

Section 7 imposes a tax on the use or consumption in the State of Nebraska of taxable property or services. The rate will be 10.64%. The person purchasing is liable for the tax and it is collected by the registered seller. Section 7 also establishes the method and manner of collection and payment of the consumption tax for various categories of property, services, wages, and salary. This tax is likely inconsistent with the requirements of the Streamlined Sales and Use Tax Agreement and could call into question Nebraska ability to enforce this tax against remote seller or multi-vendor marketplace platforms.

Section 8 provides exemptions from the consumption tax including: fuel; used property; taxable property or service purchased for a business purpose in a trade or business; purchases for investment purposes, and purchases for educational purposes. The Tax Commissioner is to create an application for a tax-exempt certificate to be made available in electronic form on the Department website and in paper form by no later than October 1, 2023.

Major Objects of Expenditure

Class Code	Classification Title	21-22	22-23	23-24	21-22	22-23	23-24
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
A29621	Revenue Tax Specialist	0.0	0.0	2.0	\$0	\$0	\$113,200
V29224	Revenue Agent Supervisor	0.0	0.0	0.5	\$0	\$0	\$26,700
X29222	Revenue Agent	0.0	0.0	2.5	\$0	\$0	\$98,600
X29223	Revenue Agent Senior	0.0	0.0	0.5	\$0	\$0	\$22,800
A11123	Training Specialist II	0.0	1.0	2.0	\$0	\$47,900	\$98,000
Benefits.....					\$0	\$15,800	\$118,500
Operating Costs.....					1,331,242		
Travel.....							
Capital Outlay.....					\$0	\$5,000	\$40,000
Capital Improvements.....							
Total.....					\$1,331,242	\$68,700	\$517,800

Section 9 provides each qualified family residing at a common residence in Nebraska to be eligible to receive a consumption tax monthly allowance (Allowance) at the beginning of each month of the calendar year beginning in the month of January 2024. The monthly allowance is administered by the Department and disbursed by the State Treasurer. The allowance is the product of the consumption tax rate and the monthly poverty level for a family of the size of the qualified family. The monthly poverty level is one-twelfth of the annual poverty level for a particular family size under the poverty guidelines published in the Federal Register by the United States Department of Health and Human Services. The Tax Commissioner may begin collecting and processing registration forms for the Allowance during CY 2023 for disbursements beginning January 2024. Upon approval by the Tax Commissioner the Allowance is active for a period not to exceed five years and may be renewed for a period not to exceed five years. The Tax Commissioner is to create the qualified family update and renewal form. Section 9 also creates the Consumption Tax Transition Fund. In 2023 the State Treasurer will transfer funds from the Cash Reserve Fund to the Consumption Tax Transition Fund as provided in § 84-612 to pay the Allowances for the month of January 2024. Thereafter the Allowance funds are drawn from revenue collected from the consumption tax imposed under the EPIC Act.

Section 10 provides the sourcing provisions for the consumption tax. The consumption tax is a destination tax.

Section 11 requires a registered seller or other person liable to collect and remit consumption tax to submit to the Tax Commissioner on or before the 15th day of each month a report of the consumption taxes due in the previous calendar month. A registered seller may deduct and withhold from the consumption taxes due from the seller, .25% of the consumption tax collected to reimburse the seller for the cost of collecting the tax. For large sellers, the consumption tax is due weekly.

Section 12 contains provisions relating to registration requirements for persons required to collect and remit consumption taxes.

Section 13 requires registered sellers and other persons to report transactions using the cash accounting method unless an election is made to use the accrual accounting method.

Section 14 imposes civil and criminal penalties for persons who violate provisions of the EPIC Act.

Section 15. In all disputes concerning consumption taxes, the burden of production of documents and records is on the person engaged in the dispute with the Tax Commissioner and the burden of persuasion is on the Tax Commissioner.

Section 16 gives the Tax Commissioner authority to serve administrative summons and places restrictions on when the administrative summons may be used.

Section 17 requires that persons liable to remit the consumption tax must keep records for a period of three years after the later of the filing of the report pertaining to the records or the date when the report was due to be filed. The bill, however is silent on the statute of limitations for assessment or the possibility of extension agreements.

Section 18 imposes a requirement that a registered seller must give a purchaser a receipt for the purchase of taxable property or services for which a consumption tax is imposed and lists the information to be included in the receipt.

Section 19 imposes the applicable interest rate for debt instruments, investment financing leases, and other accounts.

Section 20. The proceeds of the taxes paid pursuant to the EPIC Act will be collected by the Department and remitted to the State Treasurer for credit to the General Fund.

Section 21 gives the Tax Commissioner the authority to seize property, garnish wages, or salary, and file liens to collect amounts due under the EPIC Act in certain situations.

Section 22 allows decisions of the Tax Commissioner under the EPIC Act to be appealed in accordance with the Administrative Procedure Act.

Section 23. A person engaged in a dispute with the Tax Commissioner pertaining to consumption taxes may be entitled to reasonable attorney's fees, accountancy fees, and other reasonable professional fees incurred in direct relation to the dispute, unless the Tax Commissioner establishes that the taxpayer's position was substantially justified.

Section 24 prohibits, in certain instances, any additions to tax under section 14 with respect to a period during which a case is pending under Title 11 of the United States Code.

Section 25 requires gaming sponsors to register and makes the taxable gaming services of a gaming sponsor subject to the consumption tax.

Section 26 makes purchase of taxable property or services by the federal government, state governments, and any political subdivisions subject to the consumption tax.

Section 27. Government enterprises operated by federal, state or local government units or political subdivisions must collect and remit consumption tax on any sale of taxable property or service. These enterprises may use the same exemptions from the consumption tax as private enterprises.

Section 28 allows an exception to the consumption tax on employee wages or salary for not-for-profit organizations organized and operated exclusively for certain purposes listed in EPIC Act. These organizations are required to pay consumption tax on all other taxable property and services.

Section 29 imposes the consumption tax on financial intermediation services with respect to an underlying investment account or debt. The consumption tax is imposed and collected with the same frequency that statements are rendered by the financial institution in connection with the investment account or debt but not less frequently than quarterly.

Section 30 imposes the consumption tax on financing leases and requires the Tax Commissioner to adopt and promulgate rules and regulations for disaggregating the principal and interest components of a financing lease.

Section 31 sets the interest rate for various debt instruments, investments, investment financing leases and accounts.

Section 32 provides an exemption of \$1,000 of gross payments from the consumption tax for persons not connected with a trade or business at any time during the calendar year prior to making the payment and if made to purchase taxable property or service brought into Nebraska by a person for use or consumption by that person in Nebraska. It exempts up to \$5,000 per calendar year of gross payments from the consumption tax if received by a person not connected with a trade or business in the calendar year prior to the receipt of the gross payments and in connection with a causal or isolated sale. It allows \$10,000 per calendar year of gross payments received

by a person from the sale of financial intermediation services to be claimed as a credit toward the EPC Act Tax. This credit is not available to “large sellers”.

Section 33 provides for a transitional inventory credit for trades or businesses which held qualified inventory on the close of business on December 31, 2023. The credit is equal to the cost of the qualified inventory times the rate of the consumption tax.

Section 34 provides rights of taxpayers relating to the Department’s examination of books and records, issuance of a preliminary assessments, and issuance of a final assessments.

Section 35 requires the Department to maintain a continuing education program to train employees with current knowledge of state and applicable federal tax law. Beginning 2025 the Tax Commissioner prepares an annual report and presents it to the Revenue Committee concerning the number and kind of audits, assessments, or examinations conducted in the previous year. The Tax Commissioner also develops procedures for monitoring employee performance which may include use of evaluations obtained from taxpayers.

Section 36 allows the Tax Commissioner to enter into written agreements with any registered seller to pay consumption tax that has been finally assessed or not appealed in installment payments for a period not lasting more than 12 months. The Tax Commissioner has authority to amend, modify or terminate the installment payment agreement in certain circumstances and will adopt and promulgate rules and regulations for implementation of this section. Cities, counties, or villages administering its own consumption tax have the same authority.

Section 37 pertains to the requirement of confidentiality of reports and report information provided to the Tax Commissioner or the Department pursuant to the EPIC Act.

Section 38 imposes interest on final assessments to accrue from date of entry of the final assessment.

Section 39 permits counties, cities or villages to impose its own separate consumption tax within its county, city, or village limits. There is no limit on the rate, frequency of change and no indication that the state is to collect local consumption taxes.

Section 40 contains provisions relating to State agencies’, the University of Nebraska and the Nebraska state college system’s annual budget requests beginning 2023. The annual budget request is due to the Governor and the chairperson of the Appropriations Committee of the Legislature by September 15. Increases are limited to the change in the CPI Index for all Urban Consumers.

Section 41 contains provisions relating county board’s and community colleges’ annual budget requests beginning in 2023. The annual budget requests are due to the Governor and the chairperson of the Appropriations Committee of the Legislature by September 15. Funds to counties and community colleges are to be distributed by appropriations from the Legislature. Increases are limited to the change in the CPI Index for all Urban Consumers.

Section 42. Beginning January 1, 2024, the primary source of funding for all public elementary and secondary schools and for all educational service units is the taxes collected under the Nebraska EPIC Consumption Tax Act. For budgetary purposes these entities, which receive revenue from the State, are considered part of the State Department of Education. The State Department of Education includes appropriations for all public elementary and secondary schools and all education services units in its annual budget request. Increases are limited to the change in the CPI Index for all Urban Consumers.

Section 43 contains provisions relating to the disbursement of the consumption tax revenue by the State Treasurer. Beginning in 2023 the Governor submits a comprehensive annual statewide budget to the Legislature by October 1 and the Appropriations Committee approves and submits a bill or bills for the budget for approval by the Legislature.

Sections 44 through 57 and 61 harmonizes provisions.

Section 58 amends § 77-6827 where there can be no new incentive applications under the ImagiNE Nebraska Act after the effective date of this act. Complete applications filed on or before the effective date of this act can be considered and approved if it meets the requirements of § 77-6839. Agreements may be executed with regard to complete applications filed on or before the effective date of this Act. None of these incentives acts are amended by LB 133 to allow credits against or refunds of the EPIC Consumption Tax

Section 59 amends § 79-1001 to make the Tax Equity and Educational Opportunities Support Act apply until January 1, 2024. Beginning in 2024, funding for the public schools is governed by the EPIC Act.

Section 60 amends § 84-612. The State Treasurer will transfer \$240 million from the Cash Reserve Fund to the Consumption Tax Transition Fund on or before December 31, 2023 or on a date as directed by the budget administrator of the budget division of the Department of Administrative Services.

The Department estimates that eliminating sales tax on Motor Vehicle and Non Motor Vehicle will have the following fiscal impact to various cash funds and local option sales tax:

	Highway Allocation Fund (Cities and Counties)	State Highway Capital Improvement Fund	Highway Cash Fund	Local Option Sales Tax (Assume 1.5%)
FY2022-23	\$ -	\$ -	\$ -	\$ -
FY2023-24	\$ (40,200,000)	\$ (28,100,000)	\$ (33,100,000)	\$ (248,000,000)
FY2024-25	\$ (159,700,000)	\$ (87,400,000)	\$ (135,800,000)	\$ (617,000,000)
FY2025-26	\$ (163,800,000)	\$ (90,400,000)	\$ (139,200,000)	\$ (638,000,000)
FY2026-27	\$ (168,100,000)	\$ (93,600,000)	\$ (142,600,000)	\$ (661,000,000)

For the purposes of calculating the consumption tax, the Department utilized the Personal Consumption Expenditure (PCE) from the Bureau of Economic Analysis and assumed that 90% of PCE is subject to the new consumption tax. The table below shows the General Fund revenue loss from eliminating the individual and corporation income tax and the sales and use tax; the General Fund revenue gain from the new consumption tax; the revenue loss for the counties with the elimination of property and inheritance tax; the general fund expenditure for monthly allowance; and the elimination of the Homestead exemption program and real property tax credit fund:

	General Fund Revenues Loss From Eliminating Income and Sales Tax	Revenues Loss For Counties from Elimination of Property and Inheritance Tax	General Fund Expenditures for Monthly Allowance	Reduction in General Fund Expenditure due to Homestead and Real Property Tax Credit	General Fund Revenues From Consumption Tax
FY2022-23	\$ -	\$ -	\$ -	\$ -	\$ -
FY2023-24	\$ (2,152,000,000)	\$ (35,000,000)	\$ 868,000,000	\$ -	\$ 3,839,000,000
FY2024-25	\$ (5,527,000,000)	\$ (2,607,000,000)	\$ 1,770,000,000	\$ (392,800,000)	\$ 9,541,000,000
FY2025-26	\$ (5,772,000,000)	\$ (5,434,000,000)	\$ 1,805,000,000	\$ (397,500,000)	\$ 9,879,000,000
FY2026-27	\$ (6,027,000,000)	\$ (5,637,000,000)	\$ 1,841,000,000	\$ (402,400,000)	\$ 10,230,000,000

Note that the General Fund revenues gain from the consumption tax includes the tax on new motor vehicles that currently is distributed into three cash funds for highway, street, and road purposes. LB 133 does not provide sufficient detail regarding how the new revenue consumption tax would be distributed among various existing cash funds, the cities, and the counties. The General Fund revenues gain from consumption tax on the table above represent the total revenues before any redistribution of funds.

Assuming that the new revenue from consumption tax at 10.64% will be used to redistribute to all funds and local governments that are impacted by the elimination of other taxes, and funding the monthly allowance amount, then the net overall impact LB 133 will be as follows:

	Net Total of All Funds
FY2022-23	\$ -
FY2023-24	\$ 434,600,000
FY2024-25	\$ (970,100,000)
FY2025-26	\$ (3,765,900,000)
FY2026-27	\$ (3,937,900,000)

It is estimated that the Department will require 2.0 FTE Training Specialist IIs starting in FY2021-2022 and 2.0 FTE Revenue Tax Specialists for FY2023-2024 and FY2024-2025 only. The Department will require the addition of the following ongoing staff; starting in January 2024: 1.0 FTE Revenue Agent Supervisor, 1.0 FTE Revenue Agent Senior, and 5.0 FTE Revenue Agents; starting in January 2025: an additional 5.0 FTE Revenue Agents, 12.0 FTE Fiscal Compliance Analysts and 8.0 FTE Revenue Auditor IIIs; starting in July 2025: 2.0 FTE Attorney IIIs.

Reductions to existing Department’s staff will occur in phases as tax issues are completed, beginning in 2025 through 2028. The following positions will be reassigned or eliminated as needed to fulfill departmental duties: 8.0 FTE Office Clerk IIIs, 1.0 FTE Revenue Operations Analyst I, 13.0 FTE Revenue Operations Analyst IIs, 1.0 FTE Revenue Section Manager I, 3.0 FTE Revenue Supervisor Is, 1.0 FTE Revenue Supervisor II, 1.0 FTE Revenue Agent Supervisor, 1.0 FTE Revenue Agent Senior, and 5.0 FTE Revenue Agents.

It is estimated that LB 133 will require a one-time programming charge of \$1,331,242 paid to the OCIO for mainframe and web development.

The operative date for this bill is three months after adjournment.

Note that the increases and reductions in FTE shown in table below are cumulative. Eliminating the property tax to be replaced by the EPIC Consumption tax will result in a significant reduction in costs and employees at the county level. This reduction cannot be determined by DOR. LB 133 would effectively repeal TEEOSA.

It's estimated that major objects expenditures for the years beyond FY23-24 will be as follows:

Major Objects of Expenditure							
Class Code	Classification Title	24-25	25-26	26-27	24-25	25-26	26-27
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
A29621	Revenue Tax Specialist	2.0	0.0	0.0	\$115,839	\$0	\$0
V29224	Revenue Agent Supervisor	0.5	1.0	1.0	\$27,300	\$55,885	\$57,170
X29222	Revenue Agent	2.5	10.0	10.0	\$100,850	\$412,609	\$422,102
X29223	Revenue Agent Senior	0.5	1.0	1.0	\$23,339	\$47,642	\$48,819
A11123	Training Specialist II	1.0	0.0	0.0	\$50,104	\$0	\$0
A21211	Fiscal Compliance Analyst	0.0	6.0	12.0	\$0	\$270,540	\$553,500
A21253	Revenue Auditor III	0.0	4.0	8.0	\$0	\$240,885	\$492,797
G31113	Attorney III	0.0	2.0	2.0	\$0	\$155,879	\$159,519
Benefits.....					\$104,705	\$390,555	\$641,824
Operating Costs.....					\$0	\$0	\$0
Travel.....					\$0	\$0	\$0
Capital Outlay.....					\$0	\$260,000	\$100,000
Capital Improvements.....					\$0	\$0	\$0
Total.....					\$422,137	\$1,833,995	\$2,475,731

It's estimated that the reduction to major objects expenditures for the years beyond FY23-24 will be as follows:

Major Objects of Expenditure							
Class Code	Classification Title	24-25	25-26	26-27	24-25	25-26	26-27
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
R01113	Office Clerk III	1.0	3.0	6.0	\$ (26,600)	\$ (81,000)	\$ (164,500)
R29111	Revenue Operations Clerk I	0.5	1.0	1.0	\$ (14,000)	\$ (28,400)	\$ (28,400)
R29112	Revenue Operations Clerk II	1.0	4.0	10.0	\$ (32,400)	\$ (131,900)	\$ (335,500)
G29330	Revenue Section Manager	0.5	1.0	1.0	\$ (31,700)	\$ (64,100)	\$ (64,100)
V29114	Revenue Operations Supervisor I	1.0	3.0	3.0	\$ (44,200)	\$ (134,600)	\$ (134,600)
V29115	Revenue Operations Supervisor II	0.5	1.0	1.0	\$ (25,500)	\$ (51,600)	\$ (51,600)
V29224	Revenue Agent Supervisor	0.5	1.0	1.0	\$ (25,500)	\$ (51,600)	\$ (51,600)
X29223	Revenue Agent Senior	0.5	1.0	1.0	\$ (21,800)	\$ (44,100)	\$ (44,100)
X29222	Revenue Agent	1.0	2.0	4.0	\$ (40,362)	\$ (81,580)	\$ (166,050)
A29622	Revenue Tax Specialist Senior	4.0	4.0	4.0	\$ (267,617)	\$ (267,617)	\$ (267,617)
A29621	Revenue Tax Specialist	1.0	1.0	1.0	\$ (57,902)	\$ (57,902)	\$ (57,902)
A27122	Revenue Property Assessment Liaison	10.0	10.0	10.0	\$ (501,065)	\$ (501,065)	\$ (501,065)
A27334	Revenue Property Assessment Appraiser II	1.0	1.0	1.0	\$ (57,902)	\$ (57,902)	\$ (57,902)
	Revenue Property Tax Administrator	1.0	1.0	1.0	\$ (126,788)	\$ (126,788)	\$ (126,788)
Benefits.....					\$ (400,669)	\$ (543,487)	\$ (672,815)
Operating Costs.....					\$ (361,800)	\$ (370,100)	\$ (378,612)
Travel.....					\$ -	\$ -	\$ -
Capital Outlay.....					\$ -	\$ -	\$ -
Capital Improvements.....					\$ -	\$ -	\$ -
Total.....					\$ (2,035,804)	\$ (2,593,740)	\$ (3,103,151)

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.....	_____	_____	_____	_____