PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza February 17, 2021 (402)471-0050

LB 233

Revision: 00

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							
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 233 seeks to impose a new sales tax on the sale of peer-to-peer rentals of motor vehicles through digital platforms. LB 233 defines peer-to-peer rentals as a rental transaction where one individual rents their motor vehicle, as defined by the Motor Vehicle Registration Act, to another individual for a period of time. The sales tax to be collected is identified as the tax on the rental price paid for the peer-to-peer rental.

LB 233 would become operative October 1, 2021.

The Department of Revenue estimates no fiscal impact to General Fund revenues as a result of LB 233. The Department finds that LB 233 does not impact the taxation of motor vehicles currently being offered for peer-to-peer, and that the number of such vehicles is very small. There is no basis to disagree with this assessment.

The Department of Revenue estimates no costs to the Department to implement LB 233. There is no basis to disagree with this estimate.

LB 233 Fiscal Note 2021

State Agency Estimate									
State Agency Name: Department	of Revenue				Date Due LFO:				
Approved by: Tony Fulton		Date Prepared:	2/16/2021		Phone: 471-5896	one: 471-5896			
	FY 2021-	FY 2021-2022		-2023	FY 2023-2024				
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
Cash Funds									
Federal Funds									
Other Funds									
Total Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			

LB 233 provides that peer-to-peer rentals of automobiles, trucks, trailers, semitrailers, and truck-tractors that are made through a digital platform or other digital medium; the sales tax is collected on the "rental price" by the "party facilitating the rental". The vehicles have the same definition as in the Motor Vehicle Registration Act. Peer-to-peer rental is defined as a rental transaction in which one individual rents his or her personal property to another individual for short-term use. Section 2 harmonizes provisions. LB 233 would not make any change to the current taxability of peer-to-peer vehicle rentals utilizing a multivendor marketplace platform. It is operative on October 1, 2021.

DOR notes that very few motor vehicles and trailers are advertised as available for peer-to-peer sharing in Nebraska. LB 233 does not affect the taxation of these motor vehicles and trailers. As a result, there is no fiscal impact to the General Fund revenues.

It is estimated that there will be no costs to DOR to implement this bill.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Benefits								
Operating Costs	Operating Costs.						_	
Travel								
Capital Outlay								
Capital Improvements.								
Total								