

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		(\$593,000)		(\$898,000)
CASH FUNDS		(\$21,000)		(\$36,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$614,000)		(\$934,000)

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

LB 595 seeks to exempt the gross receipts received from the sale, lease, or rental of and the storage, use, or other consumption in Nebraska of enzymes, yeast, and related products used in the process of manufacturing ethyl alcohol from sales and use taxes under the Nebraska Revenue Act of 1967.

LB 595 becomes operative October 1, 2021.

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

	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund
FY21-22	(\$593,000)	(\$21,000)	(\$4,000)
FY22-23	(\$898,000)	(\$36,000)	(\$6,000)
FY23-24	(\$907,000)	(\$37,000)	(\$6,000)
FY24-25	(\$917,000)	(\$37,000)	(\$7,000)

There is no basis to disagree with these estimates.

The Department of Revenue estimates no cost to the Department to implement LB 595.

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

LB:595 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Lee Will DATE: 02/22/2021 PHONE: (402) 471-4175

COMMENTS: The Department of Revenue's assessment of revenue loss to the General Fund and other noted cash funds seems reasonable given the assumptions provided.

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

2021

LB⁽¹⁾ 595

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/19/2021 Phone: ⁽⁵⁾ 402-326-9215

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:

No fiscal impact.

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⁾ 595

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/18/2021 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	See below	See below	See below	See below.
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 595 exempts sales and use tax on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of enzymes, yeast, and related products used in the process of manufacturing ethyl alcohol. The operative date is October 1, 2021.

Revenue Reductions to Build Nebraska Act Funds				
	FY2021/22	FY2022/23	FY2023/24	FY2024/25
State Highway Capital Improvement Fund	(\$21,000)	(\$36,000)	(\$37,000)	(\$37,000)
Highway Allocation Fund (cities and counties)	(\$4,000)	(\$6,000)	(\$6,000)	(\$7,000)
Total	(\$25,000)	(\$42,000)	(\$43,000)	(\$44,000)

This estimate of reduced tax revenue was obtained from the Nebraska Department of Revenue. Changes in the sales tax base will divert funds from the State Highway Capital Improvement Fund under the Build Nebraska Act for NDOT and the Highway Allocation Fund for cities and counties.

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⁾ 595

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/22/2021 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:

LB 595 would provide for an exemption to the sales and use taxes on gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of enzymes, yeast, and related products used in the process of manufacturing ethyl alcohol.

At this time, two counties impose a county sales and use tax. If LB 595 were enacted, those counties would be unable to impose taxes described previously when in an area outside a municipality. Further, if additional counties opt to impose a county sales tax, they would be prohibited from collecting sales and use taxes as described above.

Dakota County and Gage County each impose a tax rate of 0.5%. The Dakota County rate of 0.5% is only added to the state rate for sales made in Dakota County when the location is outside of a municipality that imposes a local sales and use tax rate. The Gage County rate of 0.5% is imposed on all taxable transactions in Gage County. It is added to the state and any local sales and use tax imposed by a city or village in Gage County. This Gage County municipality rate reflects the state, local, and county tax. All other areas in Gage County are only subject to the state rate of 5.5% and the county rate of 0.5%, for a total rate of 6%

The fiscal impact to counties is unknown.

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.....	_____	_____	_____	_____