

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$22,188	(\$4,236,000)		(\$6,481,000)
CASH FUNDS		(\$246,000)		(\$431,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$22,188	(\$4,482,000)		(\$6,912,000)

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

LB 984 amends provisions related to the fee imposed on the collection of sales and use taxes.

The collection tax fee is equal to 2.5% of the sales or use tax collected each month, up to \$3,000 per month. This applies to both collectors of the tax as well as taxpayers that would choose to deduct and withhold such amounts themselves. LB 984 would increase this maximum to \$6,000 per month.

LB 984 is operative October 1, 2022.

REVENUE:

The Department of Revenue estimates the following impact on the General Fund and Cash Funds:

	General Fund	Highway Trust Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	State Visitors Promotion Cash Fund	Tobacco Products Administration Cash Fund
FY22-23	(\$4,246,000)	(\$23,000)	(\$150,000)	(\$51,000)	(\$56,000)	(\$17,000)
FY23-24	(\$6,481,000)	(\$40,000)	(\$262,000)	(\$89,000)	(\$100,000)	(\$29,000)
FY24-25	(\$6,610,000)	(\$40,000)	(\$268,000)	(\$90,000)	(\$103,000)	(\$28,000)
FY25-26	(\$6,742,000)	(\$40,000)	(\$273,000)	(\$91,000)	(\$106,000)	(\$28,000)

The Highway Allocation Fund is a distributive fund to cities and counties, and as such, the revenue loss reflected to that fund is to political subdivisions and not reflected in the table at the top of the page. Furthermore, the department estimates an increase in collection fee revenue to counties, who remit motor vehicle sales tax, of approximately \$83,000 per fiscal year.

EXPENDITURES:

The department estimates a one-time cost of \$22,188 for a programming charge to OCIO to implement the bill. The Department of Motor Vehicles estimates a small expenditure increase to implement LB 984 that will be absorbed by the agency.

There is no basis to disagree with these estimates.

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

LB: 984 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Neil Sullivan DATE: 2/17/2022 PHONE: (402) 471-4179

COMMENTS: The Department of Revenue assessment of fiscal impact from LB 984 appears reasonable.

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

LB: 984 AM: AGENCY/POLT. SUB: Department of Motor Vehicles

REVIEWED BY: Neil Sullivan DATE: 2/17/2022 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the Department of Motor Vehicles assessment of no fiscal impact from LB 984.

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

2022

LB⁽¹⁾ 984

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 24, 2022 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

There will be 40 hours of Programming and Testing that can be absorbed within existing DMV appropriation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____