

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |                      |                   |                      |
|---|-------------------|----------------------|-------------------|----------------------|
|   | <b>FY 2024-25</b> |                      | <b>FY 2025-26</b> |                      |
|   | EXPENDITURES      | REVENUE              | EXPENDITURES      | REVENUE              |
| GENERAL FUNDS   | \$126,144         | (\$1,830,000)        |                   | (\$4,070,000)        |
| CASH FUNDS  |                   | (\$6,000)            |                   | (\$42,000)           |
| FEDERAL FUNDS   |                   |                      |                   |                      |
| OTHER FUNDS   |                   |                      |                   |                      |
| <b>TOTAL FUNDS</b>  | <b>\$126,144</b>  | <b>(\$1,836,000)</b> |                   | <b>(\$4,112,000)</b> |

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

LB 1305 would exclude central bank digital currency under the term of money and would define central bank currency.

The bill would expand the sales and use tax exemption for bullion so that bullion would now also include coins, notes, leaf, foil, and film. The exemption would also make changes so that the value of bullion would depend primarily on its content.

The bill would add that for taxable years beginning on or after January 1, 2025, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income would be adjusted on the amount of any net capital gain or loss that is derived from the sale or exchange of gold or silver bullion to the extent such gain or loss is included in federal adjusted gross income.

The bill would become operative on January 1, 2025.

The Department of Revenue (DOR) estimates the following decrease in General Fund and Cash Fund revenues as a result of this bill:

| Fiscal Year | General Fund revenues | Highway Trust Fund | Highway Allocation Fund | Total          |
|-------------|-----------------------|--------------------|-------------------------|----------------|
| FY2024-25   | \$ (1,830,000)        | \$ (6,000)         | \$ (1,000)              | \$ (1,837,000) |
| FY2025-26   | \$ (4,070,000)        | \$ (42,000)        | \$ (7,000)              | \$ (4,119,000) |
| FY2026-27   | \$ (3,930,000)        | \$ (44,000)        | \$ (8,000)              | \$ (3,982,000) |
| FY2027-28   | \$ (3,880,000)        | \$ (45,000)        | \$ (8,000)              | \$ (3,933,000) |

There is estimated to be a revenue decrease to the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties.

Additionally, the DOR estimates a need for a one-time cost of \$126,144 to be paid to the Office of the Chief Information Officer (OCIO) as a result of this bill.

There is no basis to disagree with these estimates.

TECHNICAL NOTE: Based on the language in the bill of only federal adjusted gross income being mentioned regarding to the extent gain or loss is included in income, this may affect the deductibility of the sale or exchange of gold or silver bullion for corporation and fiduciary taxpayers.

|  |                 |   |  |
|--|-----------------|---|--|
| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b> |                 |   |  |
| LB: 1305   | AM:             | AGENCY/POLT. SUB: Department of Revenue |  |
| REVIEWED BY: Neil Sullivan   | DATE: 2/13/2024 | PHONE: (402) 471-4179                   |  |
| COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1305 appears reasonable. |                 |   |  |



LB 1305 will require a one-time charge of the \$126,144 paid to OCIO for development.

The operative date for this bill is January 1, 2025.