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LB 19

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised per response from DOR

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2024-25		FY 2025-26			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS	\$263,796		\$151,500	\$131,906,000		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$263,796		\$151,500	\$131,906,000		

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

LB 19 would impose an excise tax upon the seller for any delivery sale of personal property to a purchaser in Nebraska.

Delivery sales of the following would be exempt from the excise tax:

- Any personal property that is exempt from sales and use taxes; and
- Any personal property that is picked up by the purchaser at a retail location in Nebraska.

The excise tax would be equal to 2% of the purchase price and would be in addition to all other taxes. The excise tax would be due and payable to the Department of Revenue (DOR) monthly on or before the 20th day of the month next succeeding each monthly period, and the seller would send with the tax payment a record of sale for every delivery sale for which the seller is paying excise tax.

The excise tax would be enforced by the DOR.

This excise tax collected by the DOR would be credited to the General Fund.

The DOR could adopt and promulgate rules and regulations to carry out this bill.

The bill would become operative on July 1, 2025.

The DOR estimates the following increases to General Fund revenues as a result of the bill.

FY26: \$131,906,000FY27: \$148,214,000

The DOR estimates a one-time programming charge to be paid to the Office of the Chief Information Officer (OCIO) in the amount of \$263,796 and the need to hire 1.5 FTE Revenue Agent and 1 FTE Revenue Operations Clerk II to implement the bill.

There is no basis to disagree with these estimates by the DOR.

	State Agency Estimate							
renue				Date Due LFO:				
	Date Prepared:	07/30/2024		Phone: 471-5896				
FY 2024-2025		FY 2025-2026		FY 2026-2027				
xpenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
\$263,796		\$151,500	\$131,906,000	\$136,500	\$148,214,000			
\$263,796		\$151,500	\$131,906,000	\$136,500	\$148,214,000			
	FY 2024-2	Date Prepared:	Date Prepared: 07/30/2024 FY 2024-2025 FY 2025 Expenditures S263,796 S263,79	Date Prepared: 07/30/2024 FY 2024-2025 FY 2025-2026 Expenditures Revenue \$151,500 \$131,906,000	Date Prepared: 07/30/2024 Phone: 471-5896			

LB 19 imposes an excise tax on the seller for any delivery sale of personal property to a person in Nebraska. This tax equals 2% of the purchase price and is in addition to all other taxes. Exemptions apply to delivery sales of any personal property exempt from sales and use tax and any personal property picked up by the purchaser at a retail location in Nebraska.

Delivery sale means to sell, give, or furnish personal property by (a) mail or delivery service; (b) using the Internet or a computer network; (c) by telephone; or (d) using any other electronic means.

The tax is due and payable to the Department of Revenue (DOR) monthly on or before the 20th of the month next succeeding each monthly period, and the seller must send with the tax payment a record of sale for every delivery sale for which the seller is paying excise tax. The excise tax is enforced by DOR, and DOR may adopt and promulgate rules and regulations to carry out LB 19.

It is estimated that this bill will have the following impacts on General Fund revenues:

Fiscal Year	General Fund Revenues
FY 2024-25	-
FY 2025-26	\$131,906,000
FY 2026-27	\$148,214,000

LB 19 will require a one-time programming charge of \$263,796 paid to OCIO to make changes to Nebfile for Business-Sales and Use Tax. The Department will need to hire 1.5 FTE Revenue Agent, 1 FTE Revenue Op Clerk II to implement the bill.

Major Objects of Expenditure							
Class Code	Classification Title	24-25 FTE	25-26 FTE	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
X29222	Revenue Agent		1.5	1.5		\$64,800	\$64,800
S29112	Revenue Op Clerk II		1.0	1.0		\$37,800	\$37,800
Benefits	Benefits.					\$33,900	\$33,900
Operating Costs. \$263,796							
Capital Outlay.					\$15,000		
Capital Improven	nents						
Total			\$263,796	\$151,500	\$136,500		