

Revised per response from the Dept. of Revenue

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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		\$454,700	
CASH FUNDS				\$119,914,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$263,796		\$454,700	\$119,914,000

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

This fiscal note has been updated to reflect the Department of Revenue’s (DOR) estimate of expenditures based on further review of the responsibilities for the DOR under the bill. The responsibilities for the DOR are greater than initially estimated. Additionally, the revenue increase has been reduced from the original fiscal note for FY26, as in the first fiscal year of collections under this bill, there would be ten months of revenue into the Education Future Fund instead of the eleven months originally shown due to one additional month for revenue to be credited to a Cash Fund.

LB 48 would impose a delivery fee 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 fee:

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

The fee would be enforced by the DOR.

This fee collected by the DOR would be credited to the Education Future 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 Education Future Fund revenues as a result of the bill:

- FY26: \$119,914,000
- FY27: \$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 FTE Fiscal Compliance Analyst, 3 FTE Revenue Operations Clerk II, and 3.5 FTE Revenue Agent to implement the bill.

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

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:			
Approved by: James R. Kamm		Phone: 471-5896			
Date Prepared: LEAVE BLANK					
<u>FY 2024-2025</u>		<u>FY 2025-2026</u>		<u>FY 2026-2027</u>	
<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$263,796	\$454,700	\$119,914,000	\$414,700	\$148,214,000
Cash Funds			\$119,914,000		\$148,214,000
Federal Funds					
Other Funds					
Total Funds	\$263,796	\$454,700	\$119,914,000	\$414,700	\$148,214,000

LB 48 imposes a delivery fee equal to 2% of the purchase price on deliveries of personal property that are sold, given, or furnished and delivered by the following methods:

- By mail or delivery service.
- By internet or computer network.
- By telephone.
- Any electronic method.

Delivery sales of the following are exempt:

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

The delivery fee is in addition to all taxes due for any delivery sales. It is due and payable to the Department of Revenue (DOR) monthly on or before the twentieth of the month next succeeding each monthly payment. The seller shall send with the fee payment a record of sale for every delivery sale for which the seller is paying the delivery fee. The fee collected by DOR is remitted to the State Treasurer to the Education Future Fund. DOR may adopt and promulgate rules and regulations to carry out this section.

It is estimated that this bill will have the following impacts on Cash Funds:

Fiscal Year	Education Future Fund
FY 2024-25	-
FY 2025-26	\$119,914,000
FY 2026-27	\$148,214,000

The operative date for LB 48 is July 1, 2025.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>24-25 FTE</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>24-25 Expenditures</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>
A21211	Fiscal Compliance Analyst		1.0	1.0		\$47,200	\$47,200
S29112	Revenue Op Clerk II		3.0	3.0		\$113,300	\$113,300
X29222	Revenue Agent		3.5	3.5		\$151,300	\$151,300
	Benefits.....					\$102,900	\$102,900
	Operating Costs.....				\$263,796		
	Travel.....						
	Capital Outlay.....					\$40,000	
	Capital Improvements.....						
	Total.....				\$263,796	\$454,700	\$414,700

LB 48 will require a one-time programming charge of \$263,796 paid to OCIO for making changes to NebFile for Business-Sales and Use Tax. The Department will need to hire 1.0 FTE Fiscal Compliance Analyst, 3.0 FTE Revenue Op Clerk II and 3.5 FTE Revenue Agent to implement this bill.