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 DATE PREPARED: February 22, 2010
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LB 1053

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$ 128,923,000)		(\$ 198,219,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$ 128,923,000)		(\$ 198,219,000)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1053 amends the Nebraska Revenue Act of 1967 to provide a sales and use tax exemption for clothing; prepared meals or foods; any use for furniture or appliances; and any use for computer software and hardware, MPEG-1, MP3, or global positioning peripheral devices or equipment. The bill has an operative date of October 1, 2010.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 1053:

FY10-11: (\$ 128,923,000)
 FY11-12: (\$ 198,219,000)
 FY12-13: (\$ 200,201,000)

The Department indicates the cost to implement LB 1053 will be minimal.

There is no basis to disagree with the Department's estimate of fiscal impact or expenditure.

IMPACT TO POLITICAL SUBDIVISIONS:

There certainly will be substantial impact to political subdivisions collecting sales and use tax under the Local Option Sales Tax statutes; however, given the diversity of communities and different levels of sales and use tax rates, the exact impact is indeterminate.