

DM

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DATE PREPARED: March 08, 2011
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LB 82

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$269,000)		(\$472,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$269,000)		(\$472,000)

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

LB 82 amends the Nebraska Revenue Act of 1967, Nebraska Revised Statutes Sections 77-2701.10 and 77-2701.16.

Section 77-2701.01 is amended to change the definition of "contractor or repairperson" to include someone who incorporates sod into real estate.

Section 77-2701.16 is amended to exempt the sale of sod from sales and use tax by excluding sod from the definition of gross receipts.

The bill has an operative date of October 1, 2011.

The Department of Revenue estimates the fiscal impact of LB 802 to the General Fund due to a reduction in sales and use tax receipts as follows:

FY11-12:	(\$ 269,000)
FY12-13:	(\$ 472,000)
FY13-14:	(\$ 484,000)
FY14-15:	(\$ 496,000)

The Department also indicates there would be no cost to the Department to implement LB 802.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the impact to political subdivisions to be a reduction in Local Option sales tax revenue of approximately \$125,000 annually.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/9/11	PHONE	471-2526
COMMENTS					
DEPT. OF REVENUE – No basis upon which to disagree.					

