

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(\$434,000)		(\$676,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$434,000)		(\$676,000)

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

LB 391 amends the Nebraska Revenue Act of 1967 Section 77-2703, regarding sales tax.

The bill increases the county collection fee for motor vehicles. LB 391 would allow a county to keep an additional one-half of one percent of all motor vehicle sales tax amounts in excess of \$3,000 each month.

The Department of Revenue estimates the following fiscal impact of LB 391:

Fiscal Year:	Highway Allocation Fund: (Local)	Highway Cash Fund:	Game & Parks Commission Capital Maintenance Fund:	Total:
2015-16:	(\$ 461,000)	(\$ 434,000)	(\$ 15,000)	(\$ 910,000)
2016-17:	(\$ 719,000)	(\$ 676,000)	(\$ 23,000)	(\$ 1,418,000)
2017-18:	(\$ 747,000)	(\$ 703,000)	(\$ 24,000)	(\$ 1,474,000)
2018-19:	(\$ 777,000)	(\$ 731,000)	(\$ 25,000)	(\$ 1,533,000)

The Department of Revenue indicates the cost to implement the provisions of LB 391 will be minimal.

The Department of Roads estimates the following fiscal impact of LB 391:

Fiscal Year:	Highway Allocation Fund (Local):	Highway Cash Fund:	Total:
2015-16:	(\$ 301,000)	(\$ 325,000)	(\$ 626,000)
2016-17:	(\$ 518,000)	(\$ 487,000)	(\$ 1,005,000)

We disagree somewhat with the Department of Revenue's estimate of fiscal impact and cost. We do not believe the Game & Parks Commission Capital Maintenance Fund is impacted as the section of statute being amended only applies to motor vehicles, semitrailers, and trailers. Otherwise we agree with the Department of Revenue's estimate of fiscal impact.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates that counties remitting motor vehicle sales tax will see an increase in their collection fees as follows:

FY2015-16:	\$ 910,000
FY2016-17:	\$ 1,418,000
FY2017-18:	\$ 1,474,000

The estimated fiscal impact to the Highway Allocation Fund is as follows:

FY2015-16:	(\$ 461,000)
FY2016-17:	(\$ 719,000)
FY2017-18:	(\$ 747,000)
FY2018-19:	(\$ 777,000)

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 391	AM:	AGENCY/POLT. SUB: Dept. of Motor Vehicles
REVIEWED BY: Lyn Heaton	DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: Concur. No fiscal analysis on the Department of Motor Vehicles.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 391	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.		

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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Date Prepared:

26-Feb-15

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-2016		FY 2016-2017	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Estimate:

No fiscal impact is anticipated.

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2015-2016	FY 2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits			_____	_____
Operating			_____	_____
Travel			_____	_____
Capital Outlay			_____	_____
Aid			_____	_____
Capital Improvements			_____	_____
Total			<u>\$ -</u>	<u>\$ -</u>

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 391

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Dept of Roads

Prepared by: ⁽³⁾

Becky Fleming

Date Prepared: ⁽⁴⁾

2/23/2015

Phone: ⁽⁵⁾

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$325,000)*	_____	(487,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 391 changes the sales tax collection fees for motor vehicles. This bill allows the counties to deduct an additional one-half of one percent of all amounts in excess of three thousand dollars remitted for motor vehicle sales tax.

Sales tax of 5 ½% on motor vehicles are collected by county treasurers with revenue from 5% remitted to the Highway Trust Fund which is distributed 53 1/3% to the Highway Cash Fund (for the Department of Roads) and 46 2/3% to the Highway Allocation Fund (for the cities and counties equally). The revenue from the ½% sales tax is remitted to the Highway Allocation fund.

Based on FY2014 data, the additional 1/2% retainage would result in a loss to the Highway Cash Fund of \$487,000 annually (*calculated as 8/12 of annual total for FY16). Cities and counties would lose \$518,000 annually (FY16 impact calculated as 7/12 of annual total \$301,000).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====