

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	\$19,168	(\$2,888,000)	\$0	(\$7,209,000)
CASH FUNDS		(\$415,000)		(\$1,037,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$19,168	(\$3,303,000)	\$0	(\$8,246,000)

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

LB 74 amends the Nebraska Revenue Act of 1967, Sections 77-2703 and Section 77-2708, regarding sales and use taxes.

The bill would increase the fee kept by retailers for collecting the sales and use tax.

At present, the collection fee is 2.5% of the first \$3,000 remitted each month. LB 333 keeps the 2.5% on the first \$3,000 and adds an additional 0.5% on amounts remitted over \$3,000 each month. The increase is to take effect January 1, 2016.

The Department of Revenue estimates the following fiscal impact to the following funds:

Fiscal Year:	General Fund:	Highway Trust Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund: (Local)	State Visitors Promotion Cash Fund:	Tobacco Products Administration Cash Fund:
2015-16:	(\$2,888,000)	(\$257,000)	(\$117,000)	(\$294,000)	(\$26,000)	(\$15,000)
2016-17:	(\$7,209,000)	(\$642,000)	(\$292,000)	(\$733,000)	(\$67,000)	(\$36,000)
2017-18:	(\$7,498,000)	(\$667,000)	(\$303,000)	(\$763,000)	(\$72,000)	(\$37,000)
2018-19:	(\$7,798,000)	(\$694,000)	(\$316,000)	(\$793,000)	(\$77,000)	(\$37,000)

The Department estimates that the bill will require a one-time programming charge of \$19,168 paid to the Office of the CIO for mainframe programming costs.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates that counties remitting motor vehicle sales taxes are expected to see an increase in their collection fees of \$530,000 for FY15-16, \$1,324,000 for FY16-17, and \$1,377,000 for FY17-18.

The impact to the Highway Allocation Fund would be as follows:

FY2015-16:	(\$294,000)
FY2016-17:	(\$733,000)
FY2017-18:	(\$763,000)
FY2018-19:	(\$793,000)

