

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$15,070,000)		(\$38,700,000)
CASH FUNDS		(\$488,000)		(\$1,566,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$15,558,000)		(\$40,266,000)

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

LB 812 amends the Nebraska Revenue Act of 1967 Section 77-2701.04 to provide a sales and use tax exemption for custom software and computer software training related to the custom software.

The exemption includes the charges for coding or producing any custom software and the charges for tapes, disks, or other property (electronic or otherwise) furnished by the seller.

Custom software is defined as computer software created for and prepared to the special order of the purchaser.

The bill has an operative date of January 1, 2017.

The Department of Revenue estimates the following fiscal impact as a result of LB 812:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund (Local):	Total:
2016-17:	(\$ 15,070,000)	(\$ 488,000)	(\$ 86,000)	(\$ 15,644,000)
2017-18:	(\$ 38,700,000)	(\$ 1,566,000)	(\$ 276,000)	(\$ 40,542,000)
2018-19:	(\$ 41,409,000)	(\$ 1,676,000)	(\$ 296,000)	(\$ 43,381,000)

The Department estimates that the cost to implement the provisions of LB 812 will be minimal.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following fiscal impact to the Highway Allocation Fund:

FY2016-17:	(\$ 86,000)
FY2017-18:	(\$ 276,000)
FY2018-19:	(\$ 296,000)

We agree with the Department's estimate of fiscal impact.

