

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		(\$247,000)		(\$390,000)
CASH FUNDS		(\$9,000)		(\$16,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$256,000)		(\$406,000)

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

LB 1015 amends the Nebraska Revenue Act of 1967 to provide a sales and use tax exemption.

Section 77-2704.56 which deals with the sales and use tax exemption for the purchase of fine art by museums, is amended by striking the term "fine art" and inserting "property" as defined in Section 51-702(8), the Museum Property Act.

As defined in 51-702(8), "property means a tangible object, animate or inanimate, under a museum's care, which has intrinsic historic, artistic, scientific, or cultural value."

The bill has an operative date of October 1, 2016.

The Department of Revenue indicates the following fiscal impact as a result of LB 1015:

Fiscal Year:	General Fund:	State Highway Capital Improvement Fund:	Highway Allocation Fund (Local):	Total:
2016-17:	(\$ 247,000)	(\$ 9,000)	(\$ 2,000)	(\$ 258,000)
2017-18:	(\$ 390,000)	(\$ 16,000)	(\$ 3,000)	(\$ 408,000)
2018-19:	(\$ 409,000)	(\$ 17,000)	(\$ 3,000)	(\$ 429,000)

The Department indicates the cost to implement the provisions of LB 1015 will be minimal.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

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

FY2016-17:	(\$ 2,000)
FY2017-18:	(\$ 3,000)
FY2018-19:	(\$ 3,000)

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFA: 2/1/2016				
Approved by: Tony Fulton		Date Prepared: 1/29/2016				
		Phone: 471-5896				
	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		(\$247,000)		(\$390,000)		(\$409,000)
Cash Funds		(\$9,000)		(\$16,000)		(\$17,000)
Federal Funds						
Other Funds		(\$2,000)		(\$3,000)		(\$3,000)
Total Funds		(\$258,000)		(\$408,000)		(\$429,000)

LB 1015 would amend Neb. Rev. Stat. § 77-2704.15 (sales tax exemption for fine art purchased by museum) to expand the exemption beyond fine art to include any displays by any museum. Under the bill (and currently) “museum” is defined in § 51-702(6) as an institution in Nebraska operated by a nonprofit or public agency for educational, scientific, historic preservation, or aesthetic purposes. “Property,” the purchase or rental of which would be exempt under the bill, is defined in § 51-702(8) as tangible property which has intrinsic historic, artistic, scientific, or cultural value.

The bill would become operative October 1, 2016.

LB 1015 is expected to reduce revenue to the following funds by the amounts below:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total
2016-17	\$247,000	\$9,000	\$2,000	\$258,000
2017-18	\$390,000	\$16,000	\$3,000	\$408,000
2018-19	\$409,000	\$17,000	\$3,000	\$429,000

Departmental cost to implement the bill is expected to be minimal.

Major Objects of Expenditure

Class Code	Classification Title	16-17 FTE	17-18 FTE	18-19 FTE	16-17 Expenditures	17-18 Expenditures	18-19 Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Aid.....							
Capital Improvements.....							
Total.....							