

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	44,000	(4,250,000)	44,600	(4,500,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>44,000</b>	<b>(4,250,000)</b>	<b>44,600</b>	<b>(4,500,000)</b>

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

LB 762 provides for sales and use tax exemption on the first Friday of August from 12:01 a.m. through the following Sunday at 11:59 p.m. for clothing with a sales price of one hundred dollars or less per item, school supplies with a sales price of one hundred dollars or less per item, and computers with a sales price of one thousand five hundred dollars or less per item. Certain items, listed in the bill, are not included in the exemption.

The Department of Revenue estimates the need to hire a half-time revenue senior auditor with associated benefits to address the bill's provisions. This cost is estimated to be \$44,000 in fiscal year 2008-09 and \$44,600 in fiscal year 2009-10. There is no basis to disagree with this estimate.

The Department of Revenue estimates General Fund revenue loss due to reduced sales and use tax collection on these items for the proposed weekend to be as follows:

Fiscal Year	General Fund Revenue Loss
FY2008-09	(\$4,250,000)
FY2009-10	(\$4,500,000)
FY2010-11	(\$4,750,000)
FY2011-12	(\$5,000,000)

There is no basis to disagree with these estimates.

**IMPACT ON POLITICAL SUBDIVISIONS:** The Department of Revenue estimates that the effect on local option sales and use tax will be approximately (\$1,000,000). That amount would be spread over the various political subdivisions utilizing local option sales and use tax. There is no basis to disagree with this estimate.