

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$53,708		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$53,708		\$0	

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

LB 884 amends Nebraska Revised Statutes regarding the county sales tax.

Section 13-319 is amended to add permissible uses of the sales tax by a county that imposes such a tax. These new uses are for economic development or for manufacturing or industrial site development. It also amends the statute to provide that the county sales tax would apply in all areas of the county and would be in addition to any sales tax imposed by a municipality within that county.

Section 13-320 is amended to provide a definition of economic development and a definition of manufacturing or industrial site development.

Section 13-324 is amended to strike language referring to boundary changes or the adoption of a sales tax by an incorporated municipality that affects a county sales tax is to be governed by subsections (3) through (10) of 77-27,143.

The bill has an operative date of January 1, 2019.

The Department of Revenue has indicated they will require a one-time programming charge of \$53,708 paid to the Office of the CIO for mainframe development and web development.

The Department of Revenue estimates that LB 884 will have no impact to General Fund revenue.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials (NACO) indicates no fiscal impact until a county's voters choose to approve a measure to enact the sales tax provided for in LB 884. In the event of such approval there would be a positive impact to county revenue.

Dependent on the county this impact would range from minimal to rather substantial. For example, net taxable sales in Lancaster County in 2016 were \$3,901,456,502 while net taxable sales in Arthur County were \$1,435,129. The amount of additional revenue that could be received by a county would also depend on the level of local option sales tax levied, one-half percent, one percent, or one and one-half percent.

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2018

LB⁽¹⁾ 884

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 884 would increase the area within the county in which a sales and use tax could be implemented to the entire county rather than just the area outside any incorporated municipality which has adopted a local sales tax.

There would be no fiscal impact to counties upon the initial passage of this legislation. If voters approve a measure to enact such tax, there is a potential for a county to receive additional revenue.

Additionally, uses for the county sales tax would be expanded to uses for economic development or manufacturing or industrial site development.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____