

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$295,541	(\$10,435,000)	\$69,300	(\$11,953,000)
CASH FUNDS		(\$384,000)		(\$484,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$295,541	(\$10,819,000)	\$69,300	(\$12,437,000)

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

LB 498 seeks to provide a sales and use tax credit for an amount equal to the franchise fees paid in the state by the retailer or a member of its affiliated group for retailers that furnish community antenna television or satellite services. A retailer could claim the credit on the sales and use tax return within the calendar quarter in which the franchise fees are paid. If the amount of the credit exceeds the amount of the retailer’s tax otherwise owed for such calendar quarter, the retailer may file a refund claim.

The operative date for this bill is July 1, 2023.

The Department of Revenue (DOR) estimates the following fiscal impact as a result of this bill:

Fiscal Year	General Funds	Highway Allocation Fund (Cities and Counties)	State Highway Capital Improvement Fund
FY 2023-24	(\$10,435,000)	(\$68,000)	(\$384,000)
FY 2024-25	(\$11,953,000)	(\$85,000)	(\$484,000)
FY 2025-26	(\$12,550,000)	(\$90,000)	(\$508,000)
FY 2026-27	(\$13,178,000)	(\$94,000)	(\$533,000)

There is estimated to be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The DOR estimates the need for a one-time programming charge of \$112,241 to be paid to the Office of the Chief Information Officer (OCIO) for mainframe and web development. The DOR also estimates a need for additional IT and Operations personnel as a result of this bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 498	AM:	AGENCY/POLT. SUB: Department of Transportation
REVIEWED BY: Neil Sullivan	DATE: 3/14/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Transportation assessment of fiscal impact from LB 498.		

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 498

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Liza Alderman Date Prepared: ⁽⁴⁾ 3/13/23 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$384,000)	_____	(\$484,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	(\$68,000)	_____	(\$85,000)
TOTAL FUNDS	=====	(\$452,000)	=====	(\$569,000)

Explanation of Estimate:

LB 498 proposes retailers providing services described in subdivision (2)(d) of section 77-2701.16 may credit against the tax levied by section 77-2703, which such retailer would otherwise be required to collect and remit. The credit amount would be equal to the franchise fees paid in this state by the retailer, or a member of its affiliated group. A retailer may claim the credit allowed under this section on a required return within the calendar quarter in which the franchise fees were paid.

	FY2023-24	FY2024-25	FY2025-26	FY2026-27
State Highway Capital Improvement Fund	(\$384,000)	(\$484,000)	(\$508,000)	(\$533,000)
Highway Allocation Fund (Cities/Counties)	(\$68,000)	(\$85,000)	(\$90,000)	(\$94,000)

This estimate of decreased tax revenue was obtained from the Nebraska Department of Revenue. The change in the sales tax base will minimally decrease revenues to the Build Nebraska Act funds resulting in less available funding to the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____