

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(6,240,000)		(6,240,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(6,240,000)		(6,240,000)

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

LB 320 would establish a fixed 26¢ fuel tax to be shared between the Department of Roads (NDOR), cities and counties. NDOR would receive 73% of the revenue, and cities and counties would each receive 13.5%. This would take the place of the current fixed and variable fuel taxes. The operative date is July 1, 2009.

The current fuel tax is 26.4¢, so setting the fixed tax at 26¢ will decrease the amount of revenue generated if it is assumed that the 26.4¢ tax would continue into the next biennium (Note: The Governor’s budget recommendation assumes LB320 will pass and the tax will be 26¢). How LB 320 will impact NDOR, cities and counties is illustrated as follows assuming consumption of 1.2 billion gallons.

	Current Tax and Distribution 26.4¢*	LB 320 Tax and Distribution 26¢**	Difference
NDOR	\$234,000,000	\$227,760,000	(\$6,240,000)
Cities	41,400,000	42,120,000	720,000
Counties	41,400,000	42,120,000	720,000
Total	\$316,800,000	\$312,000,000	(\$4,800,000)

*10.5¢ shared 53.3% NDOR; 46.7% shared equally by cities and counties.
 2¢ shared equally by cities and counties.
 13.9¢ variable to NDOR.

**19¢ to NDOR.
 7¢ shared equally by cities and counties.

Based on the assumptions stated above NDOR would lose \$6,240,000 of fuel tax revenue and cities and counties would each gain \$720,000.

Technical note: LB 846, passed in 2008, established new and different fuel tax rates effective July 1, 2009. The analysis above is not based on these new tax rates, but instead shows the estimated changes in revenue based on the fuel taxes currently in effect. The NDOR’s attached fiscal is also based on the current tax structure, not the new rates established by LB 846.