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LB 470

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See Below		See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See Below		See Below

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

LB 470 caps the occupation tax for telecommunications companies at a rate no greater than six percent. This cap is applied to cities of the primary class, first class, second class, and metropolitan class.

The Department of Revenue states that the bill's provisions could have an impact on General Fund sales tax receipts. This is because sales tax is imposed on the final consumer's bill (after the occupation tax is included). There may be some marginal General Fund revenue losses due to a lowering of occupation tax rates. The Department of Revenue goes on to say that this potential revenue loss cannot be accurately determined at this time.

The impact on cities of the affected classes will vary depending on the current occupation tax levied on telecommunications companies. The City of Omaha, for example, estimates a loss of approximately \$600,000. The City of Lincoln, on the other hand, has its occupation tax rate set at 5.5% for telecommunications companies. Therefore, Lincoln would not be affected by the bill's provisions.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/12/09	PHONE	471-2526
COMMENTS					
SECRETARY OF STATE – Concur. No fiscal impact.					
PUBLIC SERVICE COMM. – Concur. No fiscal impact.					
DEPT. OF REVENUE – No basis upon which to disagree.					
CITY OF LINCOLN - No basis upon which to disagree.					
CITY OF OMAHA - No basis upon which to disagree.					