

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,400	(\$3,556,000)	\$0	(\$6,884,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,400	(\$3,556,000)	\$0	(\$6,884,000)

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

LB 632 would adopt the Nebraska Green Building Advantage Act.

The bill would provide a partial sales or use tax refund of such taxes paid for the construction or retrofitting of a commercial building to comply with the LEED standards set forth in LB 632.

LEED means the Leadership in Energy and Environmental Design Green Building Rating System established by the U.S. Green Building Council.

Commercial building is defined by the bill as a building that will be used or is being used for commercial activities, including retail, medical, distribution, wholesale, manufacturing, or rental property.

The refund amounts are as follows:

- 50% of sales and use taxes paid if the entire building meets LEED-2.1, LEED-EB, and LEED-NC standards;
- 25% of sales and use taxes paid if it is a portion of the building and meets LEED-CI and LEED-CS standards; and
- An additional 10% of the amounts listed above if the building meets LEED platinum level standards.

Assuming that approximately 25% of commercial nonresidential buildings would be constructed at the LEED Certified 50% sales tax refund level, and that 50% of building expenditures arise from taxable building materials, the Department of Revenue estimates the following fiscal impact on revenue:

FY2009-10:	(\$ 3,556,000)
FY2010-11:	(\$ 6,884,000)
FY2011-12:	(\$ 9,962,000)
FY2012-13:	(\$10,822,000)

The Department of Revenue estimates a one-time computer programming cost of \$3,400 to implement LB 632.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost to implement.

IMPACT TO POLITICAL SUBDIVISIONS:

There will certainly be some fiscal impact associated with LB 632 to those political subdivisions that impose the local option sales tax. However, given the number of political subdivisions that impose such a tax, the different levels of the local option sales tax, and the difficulty in ascertaining where the Act may be implemented, we are unable to determine the specific level of impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/4/09	PHONE	471-2526
COMMENTS DEPT. OF REVENUE – No basis upon which to disagree.					