

PREPARED BY: Doug Gibbs
 DATE PREPARED: February 23, 2010
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LB 917

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$ 8,500,000)		(\$11,700,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$ 8,500,000)		(\$11,700,000)

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

LB 917 amends the Nebraska Revenue Act of 1967, Nebraska Revised Statutes Section 77-2704.13 to exempt sales and purchases of water supplied by a municipal water supplier from sales tax. The bill has an operative date of October 1, 2010.

The Department of Revenue indicates, based on an estimate of \$192 million in taxable sales for water in FY08-09, that LB 917 would reduce General Fund revenue by the following:

FY10-11: (\$ 8,500,000)
 FY11-12: (\$11,700,000)
 FY12-13: (\$12,200,000)

The Department indicates the cost to implement LB 917 would be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The City of Omaha has indicated that LB 917 would reduce their General Fund revenue by \$748,000 in FY10-11 and \$800,000 in FY11-12.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/24/10	PHONE	471-2526
COMMENTS					
DEPARTMENT OF ADMINISTRATIVE SERVICES: Concur. No fiscal impact. DEPARTMENT OF REVENUE: No basis upon which to disagree. CITY OF OMAHA: No basis upon which to disagree.					