PREPARED BY: DATE PREPARED: PHONE: Scott Danigole January 30, 2024 402-471-0055

**LB 1049** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	24-25	FY 2025-26				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 1049 reduces the maximum occupation tax on the sale of telecommunications services from 6.25% to 4% beginning October 1, 2024.

The City of Omaha estimates revenue losses of (\$521,785) in FY25 and (\$2,044,545) per year thereafter.

The City of Lincoln estimates revenue losses of (\$875,000) in FY25 and (\$1,025,000) per year thereafter.

Any other political subdivision that receives occupation tax dollars on the sale of telecommunications services will face revenue losses. The degree to which revenue losses are experienced will be dependent on the dollars of sales in such jurisdiction.

There is no fiscal impact to the state.

ADMINI	STRATIVE SERVI	CES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 1049	AM:	AGENCY/POLT. SUB: Departmer	nt of Revenue		
REVIEWED B	Y: Joe Massey	DATE: 1/29/2024	PHONE: (402) 471-4181		
COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact from LB 1049.					

ADMINIS	TRATIVE SERVI	CES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE
LB: 1049	AM:	AGENCY/POLT. SUB: Nebraska	Public Service Commission
REVIEWED BY	: Joe Massey	DATE: 1/12/2024	PHONE: (402) 471-4181
COMMENTS: N from LB 1049	lo basis to disagr	ee with the Nebraska Public Service Com	nmission's assessment of no fiscal impact

ADMINI	ISTRATIVE SERVIC	ES STATE BUDGET DIVISION: REVIEW O	F AGENCY & POLT. SUB. RESPONSE		
LB: 1049	AM:	AGENCY/POLT. SUB: City of Omaha			
REVIEWED B	BY: Joe Massey	DATE: 1/17/2024	PHONE: (402) 471-4181		
COMMENTS: No basis to disagree with the City of Omaha's assessment of fiscal impact from LB 1049.					

ADMINI	STRATIVE SERVIC	ES STATE BUDGET DIVISION: REVIEW	OF AGENCY & POLT. SUB. RESPONSE		
LB: 1049	AM:	AGENCY/POLT. SUB: City of Lincol	n		
REVIEWED B	BY: Joe Massey	DATE: 1/29/2024	PHONE: (402) 471-4181		
COMMENTS: No basis to disagree with the City of Lincoln's assessment of fiscal impact from LB 1049.					

LB <sup>(1)</sup> 1049			FISCAL NOTE
State Agency OR Political Subdivision Name	City of Omaha		
Prepared by: (3) Jeff Roh	Date Prepared: (4)	1-16-24 Phone:	402-444-5451
ESTIMATE PR	ROVIDED BY STATE AGE	NCY OR POLITICAL SUBDIV	ISION
EXPENDITU	<u>FY 2024-25</u>   <u>RES</u> <u>REVENUE</u>	<u>FY 20</u> <u>EXPENDITURES</u>	<u>25-26</u> <u>REVENUE</u>
GENERAL FUNDS	(521,785)		(2,044,545)
CASH FUNDS	(021,700)		(2,011,010)
		<u> </u>	
FEDERAL FUNDS			
OTHER FUNDS		<del>-</del>	
TOTAL FUNDS		_	
<b>Explanation of Estimate:</b>			
BREAKI Personal Services:	OOWN BY MAJOR OBJECT	<u> IS OF EXPENDITURE</u>	
1 ersonar services.	NUMBER OF POSITION	IS 2024-25	2025-26
POSITION TITLE	<u>24-25</u> <u>25-26</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
	. <u></u>	_	
D C	<u> </u>		
Benefits			
Operating Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

<b>LB</b> (1)	1049	)					<b>FISCAL NOTE</b>		
State Ag	ency OR I	Political Subdivision Name: (2)	Nebraska Public Service Commission						
Prepare	d by: (3)	Laurie Casados	Da	Date Prepared: (4) 1/11/2024 Phon		Phone: (5)	402-471-0252		
		ESTIMATE PROV	VIDED B	Y STATE AGEN	NCY OR POLITICA	AL SUBDIVIS	SION		
		FX	7 2024-2	<b>б</b>		FY 2025	-96		
		<u>EXPENDITURE</u>		REVENUE	EXPENDIT		<u>REVENUE</u>		
GENER	AL FUN	DS							
CASH F	UNDS								
	AL FUN	DS				<del></del>			
	R FUNDS					<del></del>			
				0					
IUIAL	L FUNDS	0	_ =	0	0		0		
Explana	tion of E	stimate:							
Parsona	l Service		WN BY I	MAJOR OBJECT	<u> </u>	<u>URE</u>			
1 CI SOIIA	<u> 1 Del vice</u>		NUMBER	OF POSITION	S 2024-2	25	2025-26		
	POSIT	TION TITLE	<u>24-25</u>	<u>25-26</u>	<u>EXPENDIT</u>	<u>rures</u>	<b>EXPENDITURES</b>		
					_	<del></del>			
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		nents							

LB 1049 Fiscal Note 2024

		State Agency	Estimate			
State Agency Name: Department of	of Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	01/26/2024		Phone: 471-5896	
	FY 2024	<u>1-2025</u>	FY 2025	5-2026	FY 2026	<u>5-2027</u>
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 1049 changes the maximum occupation tax that a municipality can impose on the receipts from the sale of telecommunications service. Before October 1, 2024, the occupation tax from the sale of telecommunications services as defined in Neb. Rev. Stat. §77-2703.04(7) (aa) must not exceed 6.25%. Beginning October 1, 2024, this occupation tax must not exceed 4%.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2024.

	Major Ob	jects of E	Expendit	ure			
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Benefits							
Operating Costs							
Capital Outlay							

TOTAL.....

LB <sup>(1)</sup> 1	049						FISCAL NOTE
State Agency	y OR Po	itical Subdivision Name: (2)	City of I	Lincoln			
Prepared by	y: <sup>(3)</sup>	Tammy Wissing	Date l	Prepared: <sup>(4)</sup>	1/24/24	Phone: (5)	402 441-8304
		ESTIMATE PROV	<u>/IDED BY S</u>	TATE AGEN	CY OR POLIT	ICAL SUBDIVIS	ION
		FY	7 <b>2024-25</b>			FY 2025	-26
		EXPENDITURE		<u>REVENUE</u>	EXPEND	DITURES	REVENUE
GENERAL	FUND	S		-875,000			-1,025,000
CASH FUN	IDS						
FEDERAL	FUNDS						
OTHER FU	JNDS						
TOTAL FU				-875,000			-1,025,000
Explanation	CT.						
		BREAKDO'	WN BY MAJ				
Personal Se				JOR OBJECT	S OF EXPEND	<u>ITURE</u>	
P	OSITIC			FPOSITION	S 202	4-25	2025-26
		ON TITLE	NUMBER OF <u>24-25</u>		S 202		2025-26 EXPENDITURES
		ON TITLE		FPOSITION	S 202	4-25	
		ON TITLE		FPOSITION	S 202	4-25	
Operating		ON TITLE		FPOSITION	S 202	4-25	
Operating Travel		ON TITLE		FPOSITION	S 202	4-25	
Operating Travel Capital out	lay	ON TITLE		FPOSITION	S 202	4-25	