

LB 829 FISCAL NOTE

Eric Byrd
March 5, 1991

FUND	EXPENDITURE	REVENUE
General		
Cash		
Federal		
Revolving		
TOTAL 1991-92		
TOTAL 1992-93		

LB 829 would repeal the property tax exemptions for agricultural equipment, business inventory, farm inventory, livestock and railroad rolling stock.

If LB 829 is passed, and collection is uniform and effective, an estimated \$12.519 billion in valuation may be added to the tax rolls. If there was no change in the average property tax rate, local subdivisions I revenue may increase \$289, 000, 000 or 23.7%. If tax levies are reduced to reflect an increase in valuation and taxes levied remain constant, the new state average levy would be 1.8663% versus 2.3094%. However, this estimate does not include \$155 million in carline value that historically went to the counties, general fund. LB 7 (1989) repealed the tax collection provisions for these companies. Without those provisions, counties would have difficulty assessing and taxing the value of carline companies. LB 829 impacts local subdivisions, budgets and rate only; the explanation above uses statewide averages to understand the broad impact of the bill.

DEPARTMENT OF REVENUE: No fiscal impact to Department of Revenue.