

Revised due to adoption of amendments on General File.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |           |                   |           |
|---|-------------------|-----------|-------------------|-----------|
|   | <b>FY 2014-15</b> |           | <b>FY 2015-16</b> |           |
|   | EXPENDITURES      | REVENUE   | EXPENDITURES      | REVENUE   |
| GENERAL FUNDS   |                   | See Below |                   | See Below |
| CASH FUNDS  |                   |           |                   |           |
| FEDERAL FUNDS   |                   |           |                   |           |
| OTHER FUNDS   |                   |           |                   |           |
| TOTAL FUNDS   |                   | See Below |                   | See Below |

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

LB 1067 amends Nebraska Revised Statutes to extend sunset dates for the Nebraska Advantage Act, the Nebraska Advantage Research and Development Act, and the Nebraska Advantage Microenterprise Tax Credit Act.

Section 77-5725 is amended to extend the application deadline for Tier 1, and Tier 3 projects under the Nebraska Advantage Act from December 31, 2015 to December 31, 2017. The deadline for Tier 6 projects is extended from January 1, 2016 to January 1, 2018.

Section 77-5806 is amended to change the year in which a business may first claim the tax credit offered under the Nebraska Advantage Research and Development Act from tax years beginning after December 31, 2015 to tax years beginning after December 31, 2017.

Section 77-5905 is amended to extend the deadline for the Department of Revenue’s approval of applications under the Nebraska Advantage Microenterprise Tax Credit Act from December 31, 2015 to December 31, 2017.

There is no fiscal impact to the General Fund as a result of LB 1067 for the next two fiscal years. However, extending the various sunset dates of these acts will have a negative impact to General Fund revenue beginning with FY2016-17.

LB 1067, as amended by AM2456 and AM2457, amends Section 77-27,144. This section provides for a delay of deductions of credit refunds from a municipality’s local sales and use tax receipts made pursuant to the Employment and Investment Growth Act (LB 775) or Nebraska Advantage Act (LB 312). The delay is for one year after the refund is made to the taxpayer. Currently, this delay only applies to direct refunds made from a city’s or village’s local sales and use tax receipts for one year after the refund is made to the taxpayer.

As amended, the Department of Revenue will be required to provide a city or village notice of pending (direct and credit) refunds exceeding \$1,500, the amount of the refund, and the month the deduction will be made from a city’s or village’s local sales and use tax receipts, and will apply to all credit refunds issued after January 1, 2014.

LB 1067, as amended, contains the emergency clause.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 1067 as amended:

|            |                |
|------------|----------------|
| FY2013-14: | (\$ 643,000)   |
| FY2014-15: | (\$ 1,040,000) |
| FY2015-16: | (\$ 118,000)   |
| FY2016-17: | (\$ 126,000)   |

**NOTE:** The above estimate of fiscal impact includes a loss of revenue for the current fiscal year (FY2013-14) because the bill as amended applies to refunds beginning January 1, 2014.

We have no basis to disagree with the Department of Revenue’s estimate of fiscal impact.

