

Revised due to adoption of amendments on General File.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	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 34, as amended by AM 650 and AM 1481, amends several sections of the Nebraska Advantage Act.

Section 77-5709 clarifies that a salaried employee who receives a predetermined amount of compensation each pay period is deemed to be paid for forty hours per week during the pay period. The salaried employee would count as one employee under the Act.

The bill amends Section 77-5719 to redefine “taxpayer” by striking language referring to various types of business entities and inserting the word “entity.” The Department of Revenue indicates that this will remove limitations on the ownership of pass-through entities. A “pass-through” entity is a business structure that is used to reduce the effects of double taxation by allocating corporate income among the owners and income taxes are then levied at the individual owners’ level.

Section 77-5720 is amended to clarify the definition of “year” to mean “calendar year.” Other sections of the Act are then changed to harmonize language to the new definition of year. This will standardize all time periods throughout the Act as calendar years. This will also standardize the counting of new employees and will mean that time periods aren’t shortened by short tax periods.

Section 77-5723 is amended by AM 650 to provide a presumption that all locations of a business are interdependent when the project includes all of the taxpayer’s locations in Nebraska. The amendment further states that the Tax Commissioner shall make the determination regarding approval or disapproval of an application within 180 days and provides certain exceptions to that requirement. The amendment also provides that within 180 days after approval of an application the Tax Commissioner shall mail to the taxpayer a written agreement for the taxpayer’s signature.

AM 1481 strikes the language adopted as a result of AM 650 regarding the different location interdependence presumption and returns the language to the original language of the statute.

The bill amends section 77-5728 to allow the Department of Revenue to disclose certain information to an acquiring taxpayer regarding the project.

The Department of Revenue indicates there is no fiscal impact to the General Fund as a result of LB 34 and the cost to implement the proposed changes will be minimal.

We agree with the Department’s estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

No fiscal impact.