

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	\$10,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,000			

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

LB 613 creates the Tax Modernization Commission.

The Commission is to consider the following six elements for successful tax modernization: a) Fairness; b) Competitiveness; c) Simplicity and Compliance; d) Stability; e) Adequacy; and f) Complementary tax systems.

The Commission is to: meet at least bimonthly; hold hearings throughout the state to receive input; utilize online questionnaires and other internet-based solutions to receive public input; and hold a tax summit to which the public is invited to participate. At least one meeting of the Commission is to be held concurrently with a meeting of the Legislative Council.

They shall also examine previous tax studies including the Comprehensive Tax Study conducted by Syracuse University (1988) and the Tax Policy and Reform Commission study (2007). They may also request information from any state agency or political subdivision that is relevant to the Commission's work.

The Commission is to issue a preliminary report to the Executive Board of the Legislature by December 15, 2013 and a final report to the Executive Board, the Revenue Committee, and the Governor by November 15, 2014. The reports are to contain the Commission's findings and recommendations for legislation to modernize state and local tax policy and the corresponding language for legislation.

The Commission will consist of thirteen members including, the Speaker of the Legislature, chair and vice-chair of the Revenue Committee, chair and vice-chair of the Appropriations Committee, chair of the Health and Human Services Committee, chair of the Education Committee, chair of the Planning Committee. In addition, the Tax Commissioner, Property Tax Administrator, Legislative Fiscal Analyst, and two academic tax experts employed by a Nebraska university who are to serve as ex officio members of the Commission.

Employees of the Department of Revenue, Revenue Committee, and Fiscal Analyst's office shall be available to the Commission to assist it in carrying out its work.

Members of the Commission are to be reimbursed for their actual and necessary expenses.

We estimate a fiscal impact of \$10,000 to the General Fund as a result of LB 613. This is to cover printing, expense reimbursement, travel, and the required tax summit.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 613	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 2/14/2013	PHONE: 402.471.4181
COMMENTS: LB 613 does not establish any specific new duties and responsibilities for the Dept. of Revenue that go beyond their current research capabilities. Though it is not unreasonable to expect that the staff time devoted to this commission could limit or delay other research assignments. Concur with the department's analysis of minimal fiscal impact.			

