PREPARED BY: DATE PREPARED: PHONE: Keisha Patent January 30, 2019 402-471-0059

**LB 266** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	9-20	FY 2020-21				
	EXPENDITURES	EXPENDITURES	REVENUE				
GENERAL FUNDS				(\$71,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS				(\$71,000)			

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

LB 266 amends the School Readiness Tax Credit Act to include self-employed individuals providing child care or early childhood education in the definition of an "eligible staff member" and to allow credits to child care and education providers which are pass-through entities to be distributed in the same manner and proportion as income. The bill also requires the State Department of Education to include self-employed individuals in the classification system for purposes of the tax credit.

The bill is operative for tax years beginning on or after January 1, 2020.

## Revenue:

The Department of Revenue estimates revenue to the General Fund as follows:

FY19-20 \$0 FY20-21 (\$71,000) FY21-22 (\$81,000)

## **Expenditures:**

The Department of Education estimates no additional cost to implement the bill. The Department of Revenue estimates minimal cost to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 266 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVI	EWED BY:	Gary Bush	DATE: 01/30/19	PHONE: (402) 471-4161		
COMMENTS: Agree with the estimated provided by the agency.						

LB 266 Fiscal Note 2019

State Agency Estimate							
State Agency Name: Department of Revenue					Date Due LFA:	1/29/19	
Approved by: Tony Fulton		Date Prepared:	1/31/19		Phone: 471-5896		
	FY 20	21-2022					
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds				(\$71,000)		(\$81,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds				(\$71,000)		(\$81,000)	
			•			•	

LB 266 amends the School Readiness Tax Credit Act to permit self-employed individuals who provide services for eligible child care or early childhood education programs to be eligible to receive the staff member credit. In addition, the bill allows more child care and education providers to use credits by permitting credits to be distributed by partnerships, LLCs, or S Corps, in the same manner and proportion as income.

Based on the existing data for the School Readiness Tax Credit program, the Department estimated the reduction to the General Fund revenues would be as follows:

FY18-19	\$ -
FY19-20	\$ -
FY20-21	\$ 71,000
FY21-22	\$ 81,000

It is estimated that there will be minimal costs to the Department to implement LB 266.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Capital Improvemen	nts						
TC 4 1							

01/08/2019

<b>LB</b> <sup>(1)</sup> 266					<b>FISCAL NOTE</b>
State Agency OR	Political Subdivision Name	Education			
Prepared by: (3)	Melody Hobson	Date Prepared: (4	1/25/19	Phone: (5)	402-471-0263
	ESTIMATE PR	OVIDED BY STATE AGE	ENCY OR POLITIC	AL SUBDIVIS	ION
		EV 4010 40		EV 2020	
	EXPENDITU	FY 2019-20 RES REVENUE	EXPENDI	<u>FY 2020</u> <u>TURES</u>	REVENUE
GENERAL FUN	NDS 0				
CASH FUNDS					
FEDERAL FUN	NDS		_		
OTHER FUND	s				
TOTAL FUND	s <u>0</u>				
Explanation of 1	Estimate:				
		lications were approved on the funds previously			
D	· · · · · · · · · · · · · · · · · · ·	OWN BY MAJOR OBJEC	TS OF EXPENDIT	CURE	
Personal Servic	TION TITLE	NUMBER OF POSITION  19-20 20-21	NS 2019- <u>EXPENDI</u>		2020-21 EXPENDITURES
Benefits			_		
Operating					
Travel					
Capital outlay					
	ements				
IUIAL					