

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$26,200		\$27,700	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$26,200</b>		<b>\$27,700</b>	

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

LB 310 amends provisions of the Nebraska Job Creation and Mainstreet Revitalization Act. The bill requires the Department of Revenue to determine the amount of eligible expenditures, calculate the credit, and issue certificates evidencing the credit within 60 days of the application's referral by the State Historic Preservation Officer (officer). The 60-day period can be extended by up to an additional 30 days by agreement of the department and the person filing the request for approval. If the department does not make these determinations in the prescribed time period, then the credit will be deemed to have been issued in the amount requested, except that the amount must not exceed 110% of the credits allocated by the officer and the amount must not change the total credits that can be allocated by the officer for the year.

The determination of eligible expenditures and calculation of the credit can be appealed in accordance with the Administrative Procedures Act.

**Revenue:**

The Department of Revenue estimates that the bill will result in an increase in General Fund revenue, but is unable to determine the amount because the increase in the number of denials due to the provisions of LB 310 is indeterminate.

**Expenditures:**

The Department of Revenue estimates that the agency will require 0.5 FTE Fiscal Compliance Analyst to administer the bill.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 310	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 2/11/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Revenue's statement of fiscal impact.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 310	AM:	AGENCY/POLT. SUB: Nebraska State Historical Society	
REVIEWED BY: Lee Will	DATE: 1/23/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Historical Society's assessment of no fiscal impact.			

**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFA: 2/8/19				
Approved by: Tony Fulton		Date Prepared: 2/6/19				
		Phone: 471-5896				
	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$26,200		\$27,700		\$27,100	
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$26,200</b>		<b>\$27,700</b>		<b>\$27,100</b>	

LB 310 adds additional time frames to act upon the Department of Revenue (“The Department”) and adds to the list of determinations that may be appealed with regard to the Nebraska Job Creation and Mainstreet Revitalization Act application process. Neb. Rev. Stat. § 77-2906(1)(b) requires the Department to determine the amount of eligible expenditures, calculate the amount of credits, and issue one or more certificates evidencing the credits within sixty-days after the time the State Historic Preservation Officer (“Officer”) refers the application to the Department. An additional period not exceeding thirty days may be agreed upon by both the Department and the person requesting final approval of the expenditures and credits. If the Department fails to determine the expenditures, calculate the credits and issue the certificates within the applicable time frame, then the credit is deemed to have been issued by the Department for the amount requested. Such deemed amount cannot exceed one hundred ten percent of the amount of credits allocated by the Officer under Neb. Rev. Stat. § 77-2905 and will not increase or decrease the total amount of credits that may be allocated by the officer under Neb. Rev. Stat. § 77-2905 in any calendar year. Neb. Rev. Stat. § 77-2906(1)(c) allows for any determination of the amount of eligible expenditures or calculation of the amount of credit by the Department to be appealed.

As drafted, compliance with LB 310 introduces complications. Under LB 310, the referral of the application by the Officer to the Department occurs after the Officer receives Part 3 of the application from the applicant. The request for certification of credits that is required to substantiate the eligible expenditures is Part 4 of the application. Thus, as written, it is likely that this bill will require the Department to determine expenditures, calculate credits and issue certificates before the Department has the necessary information to perform these duties. Based on past experience, this could be approximately 50% of all applications for credits. Additionally, LB 310 does not provide a tolling provision, which provides time for the taxpayer to collect information to send to the Department. Consequently, LB 310 would likely increase the number of denials due to lack of records and or information necessary to approve the credits.

Any increase in denials due to this bill is undeterminable. It is estimated that this bill will result in an undeterminable increase in General Fund revenues.

The Department would require 0.5 FTE Fiscal Compliance Analyst to implement this bill.

<b>Major Objects of Expenditure</b>							
<u>Class Code</u>	<u>Classification Title</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
	Fiscal Compliance Analyst	0.5	0.5	0.5	\$19,700	\$20,800	\$20,400
	Benefits.....				\$6,500	\$6,900	\$6,700
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	<b>Total.....</b>				<b>\$26,200</b>	<b>\$27,700</b>	<b>\$27,100</b>

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**2019**

**LB<sup>(1)</sup> 310**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Historical Society (History Nebraska)

Prepared by: <sup>(3)</sup> Michelle Furby Date Prepared: <sup>(4)</sup> January 18, 2019 Phone: <sup>(5)</sup> 402-471-3171

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

"No Fiscal Impact"

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____