PREPARED BY: DATE PREPARED: PHONE: Scott Danigole April 18, 2019 471-0055

**LB 428** 

Revision: 01

## FISCAL NOTE

Revised for all amendments adopted to date.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2019-20		FY 2020-21				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS		14,500,000		14,500,000			
TOTAL FUNDS		14,500,000		14,500,000			

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

LB 428, as amended, changes the calculation of Unemployment Insurance Tax rates. Under the amended bill's provisions, wages included in the calculation are generally limited to \$9,000 per individual. For higher risk employers, wages would be limited to \$24,000 per individual. Such calculations are effective beginning January 1, 2020.

The Nebraska Department of Labor (NDOL) estimates collection of approximately \$14,500,000 more in unemployment insurance taxes, which will go to the Unemployment Trust Fund.

There is no basis to disagree with this estimate.

LB: 428 AM: 758 & FA 41 AGENCY/POLT. SUB: Department of Labor

REVIEWED BY: Neil Sullivan DATE: 4/16/2019 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the Department of Labor assessment of fiscal impact from LB 428 as amended by AM 758 and FA 41.

Please complete ALL (5) bi	anks in the first three i	mes.			2013
<b>LB</b> <sup>(1)</sup> 428, AM7	58 & FA41			F	FISCAL NOTE
State Agency OR Political S	Subdivision Name: (2)	Nebraska Depa	rtment of Labo	or	
Prepared by: (3) Katie	Thurber	_ Date Prepared: (4)	4-10-2019	Phone: (5)	402-471-9912
E	STIMATE PROVIDE	D BY STATE AGEN	CY OR POLITIC	AL SUBDIVISI	ON
	FY 20	19-20		FY 2020	<b>-21</b>
	EXPENDITURES	REVENUE	<b>EXPEND</b>		REVENUE
GENERAL FUNDS					
CASH FUNDS			_		
FEDERAL FUNDS			_		
TRUST FUNDS		\$14,500,000	_		\$14,500,000
TOTAL FUNDS		\$14,500,000			\$14,500,000
Explanation of Estimate:					
AM 758 eliminates the of FA41 adjusts the taxable	e wage base for une	mployment insuran	ce of employers	assigned to ca	ategory 20.
Employers assigned to c positive balance employ unemployment benefits	ers cannot be assign	ned to category 20,	so only employe	ers who have h	ad more

NDOL anticipates it will collect approximately \$14,500,000 more in unemployment insurance taxes from negative balance employers. This money will go to the Unemployment Trust Fund.

BREAKDO	WN BY MAJO	OR OBJECTS OF	EXPENDITURE	_	
Personal Services:					
	NUMBER OF	POSITIONS	2019-20	2020-21	
POSITION TITLE	<u>19-20</u>	<u>20-21</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>	
Total Salaries					
Benefits					
Operating					
Travel					
Capital outlay					
Aid	•				
Capital improvements	··				
TOTAL	·•				

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFA:							
Approved by: Tony Fulton	Date Prepared:				Phone: 471-5896		
	FY 2019-2020		FY 202	FY 2020-2021		FY 2021-2022	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds							
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							
						•	

LB 428 AM 758, as amended by FA 41 would reduce LB 428 to a single section amending Neb. Rev. Stat. § 48-648.02, which deals with calculating the tax rate for the Unemployment Insurance Tax. This series of statutes calculate the rate of tax based upon wages relative to the balance in the employer's account. The section to be amended limits the wages included in the calculation generally to \$9,000 per individual. Under AM 758 and FA 41, for tax years beginning January 1, 2020, for the highest risk employers only, the wages would be limited to \$24,000 per individual.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

The operative date for this bill is 3 months after the adjournment.

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 <u>Expenditures</u>	20-21 Expenditures	21-22 Expenditures
Benefits	Benefits.						
Operating Costs	Operating Costs.						
Travel	Travel						
Capital Outlay							
Capital Improvements.							
Total							