PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza January 29, 2021 (402)471-0050

**LB 38** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22		FY 2022-23				
	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 38 amends provisions related to the payment of retaliatory tax payments and various related tax credits. LB 38 clarifies the qualifications for being exempt from some or all retaliatory tax due under sections 44-150 and 77-908. The amount not required to be paid is equal to up to the full amount of the tax credit claimed that led to the retaliatory tax.

The Department of Revenue estimates no impact to General Fund revenues, as well as no fiscal impact to implement. There is no basis to disagree with these estimates.

LB 38 Fiscal Note 2021

State Agency Estimate								
State Agency Name: Department of Revenue			Date Due LFO:					
Approved by: Tony Fulton	roved by: Tony Fulton Date Pre			Phone: 471-5896				
	FY 2021	FY 2021-2022		2-2023	FY 2023-2024			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

Section 1 and 2 of LB 38 concern the New Markets Job Growth Investment Act and Nebraska Affordable Housing Tax Credit. The new language clarifies that the taxpayer or insurance company claiming the credit will not be required to pay additional related retaliatory tax up to the full amount of the claimed tax credit.

Section 3 inserts the same statutory language into §77-2909 pertaining to the tax credit for the Nebraska Job Creation and Mainstreet Revitalization Act. However, it also adds § 77-908 to the sections of retaliatory tax that taxpayers are not required to pay.

LB 38 concerns retaliatory tax and will have no impact on corporation income tax collection and therefore, no impact on General Fund revenues.

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

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Benefits								
Operating Costs	Operating Costs							
	Travel							
Capital Outlay								
Capital Improvements.								
Total								