

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	98,723	(1,670,000)	(18,111)	(1,800,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	98,723	(1,670,000)	(18,111)	(1,800,000)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 9 provides a non refundable income tax credit to individuals, estates and trusts, and certain businesses for installation or improvement to qualifying homes and businesses for energy conservation or for renewable energy generation. The credit is equal to 25% of costs incurred on or after January 1, 2007 and is limited to \$500 for any tax year.

The credit may be passed through to the beneficiaries of estates and trusts. The credit is not available to taxpayers primarily engaged in the provision of gas or electricity, and there is no provision for a pass-through for other types of business entities, specifically partners of partnerships, shareholders of S Corporations, or members of LLCs.

The bill requires the Department of Revenue to approve a credit that “demonstrably promotes energy conservation as defined by the State Energy Office”.

The estimated revenue impact is as follows.

<u>Fiscal Year</u>	<u>Revenue</u>
2007-08	(1,670,000)
2008-09	(1,800,000)
2009-10	(1,900,000)
2010-11	(1,960,000)

The Department of Revenue estimates the following costs associated with implementation:

Expenditure	FY08	FY09
Revenue Operations Analyst II (0.5 FTE)	13,220	13,617
Benefits	4,363	4,494
Operating Costs	80,690	
Total Costs	98,273	18,111

The Department of Revenue notes that: The law fails to mention whether the credit can be carried forward to future tax years.