

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		See Below		See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See Below		See Below

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

LB 907 amends the New Markets Job Growth Investment Act.

The bill amends Section 77-1108, the definition of qualified active low-income community business, to strike language regarding the requirement that a business controlled by, or under common control with, another business be the primary tenant of real estate leased from the that business.

Section 77-1109 is amended to strike the requirement that a qualified community development entity has entered into an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury.

LB 907 amends Section 77-1115 to increase the cap on tax credits from the current \$15 million to \$25 million in any fiscal year for fiscal years beginning after June 30, 2016.

The bill also amends Section 58-210.02 to add a New Markets Job Growth Investment Act project to the definition of “economic-impact project.”

The Department of Revenue estimates the following fiscal impact as a result of the provisions of LB 907:

FY2016-17:	\$	0
FY2017-18:	\$	0
FY2018-19:	(\$10,000,000)	

The Department indicates that cost to implement LB 907 will be minimal.

**NOTE:** While the bill provides that the tax credit cap shall be raised from \$15 million to \$25 million per fiscal year for fiscal years beginning after June 30, 2016, Section 77-1103 provides that the applicable percentage for the credit allowance will be zero percent for the first two years an entity is qualified for the credit (the year of investment and the first year after), therefore there is no fiscal impact for FY16-17 and FY17-18. Thereafter the fiscal impact is \$10,000,000 each fiscal year.

We agree with the Department of Revenue’s estimate of fiscal impact and cost.

