

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	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 818 amends provisions relating to nameplate capacity tax for renewable energy generation facilities. The current tax rate is \$3,518 per megawatt of total nameplate capacity of the facility. The bill requires that, beginning January 1, 2021, and each January 1 thereafter, the Department of Revenue adjust the tax rate for inflation based on the percent change in the CPI-U for the 12 month period ending the previous August. If the rate is not a whole dollar, it must be rounded to a whole dollar.

This bill is not estimated to have a fiscal impact to the state. The Department of Revenue estimates no impact to the General Fund or costs to the department to implement the bill.

The applicable inflation rate for the 12-month period ending August 2020 is unknown, and as such, the tax rate applicable for tax year 2021 under the bill is unknown. However, for example, the applicable inflation rate pursuant to the CPI-U for the 12-month period ending August 2019 was 1.7%, and as such, the tax rate for 2020, had LB 818 been in effect, would have been \$3,578, an increase of \$60 per megawatt over the current rate. In 2019, \$5,074,702 was collected in nameplate capacity tax. Assuming nameplate capacity in 2020 is comparable to 2019, the estimated increase in revenue to counties from the increased tax rate would be nearly \$87,000 in 2020 had the bill been in effect.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 818	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 01/22/2020	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact to the State.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 818	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 01/21/2020	PHONE: (402) 471-4175	
COMMENTS: NACO's assessment of fiscal impact seems reasonable given the assumptions used. The adjustment to the tax rate on the nameplate capacity tax based on CPI-U will increase revenue to the counties and the amount paid by renewable energy generation facilities beginning January 1, 2021.			

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFA:

Approved by: Tony Fulton

Date Prepared:

Phone: 471-5896

	FY 2020-2021		FY 2021-2022		FY 2022-2023	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB818 provides for the annual adjustment of the nameplate capacity tax rate by a percentage equal to the change in the Consumer Price Index for All Urban Consumers, as determined by the Department of Labor, for the twelve-month period ending each August 31 of the previous calendar year. Such adjustment would be made on January 1 of each year.

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

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>20-21</u> <u>FTE</u>	<u>21-22</u> <u>FTE</u>	<u>22-23</u> <u>FTE</u>	<u>20-21</u> <u>Expenditures</u>	<u>21-22</u> <u>Expenditures</u>	<u>22-23</u> <u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

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2020

LB⁽¹⁾ 818

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/13/2020 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

	2018 Receipts	August 2019 CPI-U		2018 Receipts	August 2019 CPI-U
Adams	\$5,981	\$102	Jefferson	\$204,038	\$3,469
Antelope	\$894,346	\$15,204	Keya Paha	\$13,193	\$224
Boone	\$551,693	\$9,379	Knox	\$324,536	\$5,517
Buffalo	\$1,403	\$24	Lancaster	\$16,661	\$283
Cherry	\$8,135	\$138	Logan	\$71	\$1
Custer	\$477,354	\$8,115	Platte	\$36,690	\$624
Dakota	\$7,968	\$135	Richardson	\$211,080	\$3,588
Gage	\$76,514	\$1,301	Seward	\$49	\$1
Holt	\$1,475,618	\$25,086	Webster	\$29,644	\$504
			Total	\$4,334,974	\$73,695

* This includes receipts through December 2018. (Source: Dept. of Revenue)

Although the August CPI-U is unknown, based on the CPI-U of 1.7 percent for August 2019, Nebraska counties that have renewable energy generation facilities located within their counties would receive an additional approximately \$74,000 if LB 818 were in effect January 1, 2020.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====