

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 | \$40,900 | | \$108,600 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$40,900 | | \$108,600 | |

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

LB 134 seeks to amend various provisions regarding the reporting of tax incentive programs. Specifically, it refers to the following programs:

- The Beginning Farmer Tax Credit Act;
- The Community Development Assistance Act;
- The ImagiNE Nebraska Act;
- The Nebraska Advantage Act;
- The Nebraska Advantage Microenterprise Tax Credit Act;
- The Nebraska Advantage Research and Development Act;
- The Nebraska Advantage Rural Development Act;
- The Nebraska Job Creation and Mainstreet Revitalization Act;
- The New Markets Job Growth Investment Act; and
- The renewable energy tax credit provided in section 77-27,235

Additionally, any similar tax incentive program enacted after the effective date of LB 134 will also be included.

LB 134 requires the Department of Revenue to compile data regarding the aforementioned programs, including, but not limited to, the identity of the taxpayers receiving incentives, the total incentives received, the total wage credits used, and the years that a project was in a program. The data collected by the Department of Revenue is then to be sent to the State Treasurer for use in the creation of a website displaying its contents. LB 134 requires the website to be updated annually each March 1.

LB 134 updates provisions regarding confidentiality to allow for the disclosure of such information on the State Treasurer’s website.

Furthermore, LB 134 requires the Department of Revenue to issue a report relating to the disclosed information on or before July 15 of each year, beginning in 2022. The Department is to also present this report to the Appropriations and Revenue Committees in a Joint Hearing on or before September 1 of each year, beginning in 2022.

The Department of Revenue estimates the need for a 1.0 FTE Tax Specialist beginning January 2022 and a 0.5 FTE Auditor beginning in July 2022 to implement LB 134. There is no basis to disagree with these estimates.

The State Treasurer’s Office estimates no cost to implement LB 134. There is no basis to disagree with this estimate.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|--|------------------|---|--|
| LB: 134 | AM: | AGENCY/POLT. SUB: Department of Revenue | |
| REVIEWED BY: Lee Will | DATE: 02/24/2021 | PHONE: (402) 471-4175 | |
| COMMENTS: Concur with the Department of Revenue’s assessment of no impact to General Fund revenue. No basis to disagree with the Department’s assessment of need for additional FTE to support the functions of the bill. | | | |

The Department will issue a report based on these disclosures on or before July 15, 2022 and each following year. The Department will also present the report at a joint hearing before the Appropriations and Revenue Committees on or before September 1, 2022 and each following year.

LB 134 will require 1.0 FTE tax specialist beginning January 2022 and 0.5 FTE auditor beginning in July 2022.

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

The operative date for this bill is three months after adjournment.

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 134

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ February 24,2021 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2021-22</u> | | <u>FY 2022-23</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:

The State Treasurer's Office doesn't expect any fiscal impact from LB 134 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2021-22</u> | <u>2022-23</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>21-22</u> | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |