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DATE PREPARED: April 10, 2013
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LB 629

Revision: 01

Revised to reflect amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	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 629, as amended, requires the Governor to include the revenue foregone by operation of laws in effect at the time of such report granting tax expenditures and reduced tax liabilities as identified in the report required by section 77-5731 as part of the budget submission required in section 81-125.

The Governor may make recommendations whether to continue or eliminate each tax expenditure and incentive program or to limit the duration of particular tax expenditures and incentives to a fixed number of years and shall include his or her reasoning for each recommendation, if any. The recommendations shall be transmitted to the Legislature's Revenue Committee at the same time the Governor submits a budget.

No fiscal impact.

2013 Legislative Bill Proposal

Fiscal Note

Bill #: LB 629 AM641

State Agency: Administrative Services – State Budget Division

Prepared by: Lyn Heaton

Date Prepared: 4/10/2013

Phone: (402) 471-4181

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

The following estimate of fiscal impact is for the Administrative Services - State Budget Division only.

LB 629, as amended by AM641, establishes two new, additional requirements related to the submission of the Governor's biennial budget recommendations. First, the bill requires that the Governor's budget recommendations shall include information on the revenue foregone due to a business tax incentive and various tax expenditures enacted by the Legislature. Second, the bill requires that a summary of the report required under the aforementioned business tax incentive be included with or appended to the biennial budget presented to the Legislature by the Governor.

The bill also provides that the Governor may make recommendations whether to continue or eliminate, in whole or in part, each tax expenditure and incentive program or to limit the duration of particular tax expenditures and incentives to a fixed number of years and shall include his or her reasoning for each recommendation, if any. Any recommendations are to be transmitted to the Revenue Committee at the time the Governor's budget recommendations are submitted.

The State Budget Division is directed by statute to assist the Governor in the preparation of the Governor's budget recommendations. Existing statute requires the Department of Revenue to prepare and submit a biennial Tax Expenditure Report as well as an annual tax incentive report. Each of these two reports include the actual and/or estimates of the revenue impact (gain or loss) of the tax expenditures and tax incentive programs summarized in the respective reports. The State Budget Division will include these two reports, with the accompanying revenue impact estimates, at the time the Governor's biennial budget recommendations are presented to the Legislature.

As is the case under current law, the State Budget Division will work with the Governor's Policy Research Office and the Department of Revenue to review and analyze all available data to prepare any recommendations the Governor may choose to make whether to continue or eliminate, in whole or in part, each tax expenditure and incentive program or to limit the duration of particular tax expenditures and incentives to a fixed number of years.

The additional requirements contained in LB 629, as amended by AM641, can be handled within the existing level of appropriation and staffing resources of the State Budget Division by redirecting staff time from other duties and responsibilities.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					

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2013

LB⁽¹⁾ 629/AM641 FISCAL NOTE

State Agency OR Political Subdivision Name: Governor (Agency 07)

Prepared by: ⁽³⁾ Lauren Kintner Date Prepared: ⁽⁴⁾ April 9, 2013 Phone: ⁽⁵⁾ 471-2414

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 629, as amended by AM641, would require the Governor to submit 2 new additional information items in his or her biennial budget recommendation to the Legislature. The recommendation would be required to detail specific information regarding sales tax expenditure and business tax incentive laws. There will be additional staff time required to comply with the bill which will be absorbed within current budget resources. There is no fiscal impact to Agency 07.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____