PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 13, 2017 402-471-0051

**LB 543** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2017-18		FY 2018-19				
	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 543 amends the Nebraska Advantage Act.

The bill provides that the application form shall include a written statement that identifies the federal tax identification numbers associated with the unitary business involved in the project, including the federal tax identification numbers that will include project employees.

The bill also provides a definition of "new business" for evaluation purposes, as a unitary business participating in the Nebraska Advantage Act that did not pay income taxes or wages in the state more than two years prior to submitting an application under the Act.

Beginning in 2018 and reported by May 31, each taxpayer who has requested an audit to determine qualification for benefits under the Act shall report the following information to the Department of Revenue:

- All federal tax identification numbers assigned to the unitary business associated with the project in the previous calendar year, including identification numbers including project employees;
- All unemployment insurance numbers assigned to the unitary business associated with the project in the previous calendar year, including identification numbers including project employees;
- The occupation title for each employee who worked hours that qualify for benefits;
- The project location for each employee who worked hours that qualify for benefits;
- The number of hours qualifying for benefits that are worked at each project location for each employee who contributes hours worked that qualify for benefits.

The Department of Revenue estimates no fiscal impact to the General Fund and minimal cost to implement the provisions of LB 543.

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

State Agency Estimate								
State Agency Name: Department	of Revenue				Date Due LFA:	3/13/2017		
Approved by: Tony Fulton		Date Prepared:	3/10/2017		Phone: 471-5896			
	FY 201	FY 2017-2018		FY 2018-2019		FY 2019-2020		
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	Expenditures	Revenue		
General Funds		\$0	ĺ	\$0		\$0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$0		\$0		\$0		

LB 543 provides for the collection of additional information by the Department of Revenue and the Department of Labor through the Nebraska Advantage Act applications. The information is intended to assist the Legislative Performance Audit Office in the conducting of future audits.

LB 543 provides that the application for participation in the Nebraska Advantage Act shall include a statement identifying federal tax identification numbers associated with the unitary business involved with the project.

The bill further provides that, beginning in 2018, each taxpayer that requests a qualification audit shall report certain information to the Department of Revenue including federal tax identification numbers and unemployment insurance numbers for locations that included employees in the project in the previous calendar year.

At the time of the qualification audit, the taxpayer must also provide certain information to the Department of Labor, including for each employee whose hours worked will be used to calculate benefits, occupation titles, project locations, and the number of hours qualifying for benefits that were worked at each project location.

LB 543 is expected to have no impact on the General Fund revenues.

The Departmental cost to implement LB 543 is expected to be minimal.

Major Objects of Expenditure								
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures	
Benefits								
Capital Outlay								
Capital Improvemen	its							
Total			•••••	•••••				