

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$85,000		\$65,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	\$85,000	See Below	\$65,000	See Below

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

LB 1295 would establish the Financial Institution Data Match Act. The Department of Revenue (DOR) would operate a data match system with each financial institution doing business in the State of Nebraska.

Under the system, a financial institution would receive from the DOR a listing of tax debtors to be used in matches within the financial institution’s system. The financial institution would receive the listing within 30 days after the end of each calendar quarter subsequent to the effective date of the bill. Within 30 days after receiving the listing, the financial institution would match the listing to its records of accounts held in one or more person’s names which are open accounts or accounts that were closed within the preceding calendar quarter. The financial institution would provide the DOR with a match listing of all matches made within five working days of the match. The financial institution would submit all match listings by an electronic medium approved by the DOR. The DOR could enter into agreements with financial institutions doing business in the state to operate the data match system. A financial institution could charge a reasonable fee, not to exceed actual cost, to be paid by the DOR for the service of reporting matches. The DOR could contract with one or more vendors to develop the data match system and perform the matches.

Within 15 days after the end of FY 24-25 and each fiscal year after, the Tax Commissioner would determine and certify to the State Treasurer the following amounts:

- a) The total amount of any fees for services or reimbursements paid by the DOR or other costs incurred by the DOR during the previous fiscal year due to the contracts entered into; and
  - b) The total amount of taxes, penalties, and interest collected during the previous fiscal year as a result of contracts entered into
- After receiving the certification, the State Treasurer would transfer the lesser of, from the General Fund to the DOR Enforcement Fund:
- The amount certified in part a above; or
  - 2% of the amount certified under part b above

The Tax Commissioner would submit electronically an annual report to the Revenue Committee of the Legislature and the Appropriations Committee of the Legislature on the amount of taxes, penalties, and interest collected during the most recently completed fiscal year as a result of contracts entered into.

The DOR could adopt and promulgate rules and regulations to carry out the Act.

The DOR estimates that the bill would have a positive but small and indeterminant impact on General Fund revenues. The DOR also estimates the costs at \$85,000 for FY25 and \$65,000 each fiscal year after out of the DOR Enforcement Fund for contract costs. Money to help cover some or all these costs would be transferred from the General Fund to the DOR Enforcement Fund via the lesser of the contract costs or the 2% amount. There is no basis to disagree with this estimate.

The State Treasurer’s Office estimates no fiscal impact to the office from the bill. There is no basis to disagree with this estimate.

The Department of Banking and Finance estimates no fiscal impact to it from the bill. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1295	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Walton	DATE: 2/9/2024	PHONE: (402) 471-4174
COMMENTS: The Department of Revenue's assessment of fiscal impact from LB 1295 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1295	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Ryan Walton	DATE: 1/23/2024	PHONE: (402) 471-4174
COMMENTS: The State Treasurer's assessment of no fiscal impact from LB 1295 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1295	AM:	AGENCY/POLT. SUB: Department of Banking and Finance
REVIEWED BY: Ryan Walton	DATE: 1/30/2024	PHONE: (402) 471-4174
COMMENTS: The Department of Banking and Finance's assessment of no fiscal impact from LB 1295 appears reasonable.		

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

**2024**

**LB<sup>(1)</sup> 1295**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Banking and Finance

Prepared by: <sup>(3)</sup> Michael Fabry Date Prepared: <sup>(4)</sup> 01/24/2024 Phone: <sup>(5)</sup> 402-471-3223

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

No fiscal impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____



DOR must submit an annual report to the Revenue Committee of the Legislature and the Appropriations Committee of the Legislature on the amount of taxes, penalties, and interest collected during the fiscal year as a result of any contracts entered into pursuant to the Act.

DOR has the authority to adopt rules and regulations to carry out the Act.

It is estimated that LB 1295 will have a small and indeterminable positive impact to the General Fund revenues.

It is estimated that there will be a cost of \$85,000 during the first year and \$65,000 for each year after for the contract to implement LB 1295. Money to help cover those costs would be transferred to DOR from the lesser of contract cost or the two percent, as discussed above.

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**2024**

**LB<sup>(1)</sup> 1295**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> Jan. 22, 2024 Phone: <sup>(5)</sup> 402-471-2793

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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 1295 to the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____