Doug Gibbs February 24, 2014 402-471-0051

## LB 1067

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	4-15	FY 2015-16					
	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 1067 amends Nebraska Revised Statutes to extend sunset dates for the Nebraska Advantage Act, the Nebraska Advantage Research and Development Act, and the Nebraska Advantage Microenterprise Tax Credit Act.

Section 77-5725 is amended to extend the application deadline for Tier 1, and Tier 3 projects under the Nebraska Advantage Act from December 31, 2015 to December 31, 2017. The deadline for Tier 6 projects is extended from January 1, 2016 to January 1, 2018.

Section 77-5806 is amended to change the year in which a business may first claim the tax credit offered under the Nebraska Advantage Research and Development Act from tax years beginning after December 31, 2015 to tax years beginning after December 31, 2017.

Section 77-5905 is amended to extend the deadline for the Department of Revenue's approval of applications under the Nebraska Advantage Microenterprise Tax Credit Act from December 31, 2015 to December 31, 2017.

There is no fiscal impact to the General Fund as a result of LB 1067 for the next two fiscal years. However, extending the various sunset dates of these acts will have a negative impact to General Fund revenue beginning with FY2016-17.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 1067	AM:	AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Lyn Heaton			DATE: 2/25/2014	PHONE: <u>402.471.4181</u>			
COMMENTS: No basis to disagree with the Department of Revenue analysis of no fiscal impact during the immediate three							
year period through FY 2016-17.							

## Fiscal Note 2014

State Agency Estimate									
State Agency Name: Department of		Date Due LFA:	1/31/2014						
Approved by: Kim Conroy		Date Prepared:	1/31/2014		Phone: 471-5896				
	FY 2014-2015		FY 2015-2016		FY 2016-2017				
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds		\$0		\$0		\$0			
Cash Funds									
Federal Funds									
Other Funds									
Total Funds		\$0		\$0		\$0			

State A man any Estimate

LB 1067 extends the sunset dates for tax incentives under the Nebraska Advantage Act, Nebraska Advantage Microenterprise Tax Credit Act, and Nebraska Advantage Research and Development Act as described below.

LB 1067 would extend the sunset dates for Tiers 1 and 3 under the Nebraska Advantage Act from December 31, 2015 to December 31, 2017, and require that applications for Tier 6 be filed before January 1, 2018.

LB 1067 would also prohibit the first credit under the Nebraska Advantage Research and Development Act from being claimed for tax year beginning or deemed to begin after December 31, 2017, and extend the sunset date for approval of applications under the Nebraska Advantage Microenterprise Tax Credit Act to December 31, 2017.

LB 1067 is expected to have no impact to General Fund revenues.

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

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 <u>Expenditures</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Aid								
Capital Improvements.								