

Updated for the 2014 Legislative Session, includes any amendments adopted to date.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$57,056	(\$294,000)	\$48,818	(\$294,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$57,056</b>	<b>(\$294,000)</b>	<b>\$48,818</b>	<b>(\$294,000)</b>

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

LB 606 creates the Nebraska Technology Entrepreneur Act.

The bill would create a sales and use tax refund for depreciable business equipment for a qualified small business.

A qualified small business is defined as any business whose primary business activity is one of the following:

- a) Innovation in using proprietary technology to add value to a product, process or service in a qualified high-technology field; or
- b) Researching, developing, or producing a proprietary product, process, or service in a qualified high-technology field.

Qualified high-technology field includes: aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biosolutions, medical device products, pharmaceuticals, diagnostics, biological science, chemistry, veterinary science, and other similar fields.

Businesses specifically excluded from the benefits of the Act include: political consulting, leisure, hospitality services, or professional services provided by attorneys, accountants, physicians, or health-care consultants.

The Act is to be administered by the Department of Revenue and in order to receive the refund, a small business has to file business plan with the Department that demonstrates financial need, an application, and an application fee of \$100.

The tax refund is limited to \$5,000 per small business in a fiscal year with a total fiscal year cap for all businesses of \$300,000.

The bill has an operative date of October 1, 2013. Assuming the LB 606 is amended to change the operative date to October 1, 2014, we estimate the following fiscal impact to the General Fund:

Fiscal Year:	Sales & Use Tax Refunds:	Application Fee Receipts:	Total:
2014-15:	(\$ 300,000)	\$ 6,000	(\$ 294,000)
2015-16:	(\$ 300,000)	\$ 6,000	(\$ 294,000)
2016-17:	(\$ 300,000)	\$ 6,000	(\$ 294,000)
2017-18:	(\$ 300,000)	\$ 6,000	(\$ 294,000)

The Department of Revenue estimates they will need 1.0 FTE to process and approve applications and sales tax refund claims. This would include PSL of \$36,108 for FY2014-15 and \$36,902 for FY2015-16.

We agree with the Department of Revenue's estimate.