

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	\$20,523		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$20,523		\$0	

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

LB 565 amends a number of different sections of statute dealing with tax incentive programs and tax credits.

The bill requires the posting of the following information on the Taxpayer Transparency web site maintained by the State Treasurer regarding tax incentive information:

- The identify of each taxpayer receiving an incentive payment under a tax incentive program;
- The location where the taxpayer is earning the incentive payment;
- Name of the incentive program under which the taxpayer is earning the incentive payment;
- List of individual incentive payments received by the taxpayer under the incentive program;
- The public benefits intended to be produced to earn the incentive payments;
- The public benefits that are actually produced to earn incentive payments; and
- Any amount of incentive payments recouped from the taxpayer for failure to provide the required public benefits.

The data required for fiscal years 2008-09 through 2016-17 is to be available on the web site no later than October 1, 2017. The data for subsequent fiscal years is to be available on the web site no later than 30 days after the end of the fiscal year.

All state entities are to provide the State Treasurer the information necessary to accomplish the purposes of the bill.

The requirements of LB 565 apply to the following tax incentive programs:

- The Angel Investment Tax Credit Act;
- The Beginning Farmer Tax Credit Act;
- The Community Development Assistance Act;
- The Employment and Investment Growth Act;
- The Invest Nebraska Act;
- The Nebraska Advantage Act;
- The Nebraska Advantage Microenterprise Tax Credit Act;
- The Nebraska Advantage Research and Development Act;
- The Nebraska Advantage Rural Development Act;
- The Nebraska Job Creation and Mainstreet Revitalization Act;
- The New Markets Job Growth Investment Act;
- The Quality Jobs Act;
- The renewable energy tax credit in Section 77-27,235.

The Department of Revenue indicates they will require a 0.5 FTE Auditor to implement the provisions of LB 565.

We disagree with the Department of Revenue's estimate of ongoing cost. While the initial compilation of information may require 0.5 FTE of staff work and time and that can be best accomplished through the SOS temporary employment program. We believe the Department can absorb those costs in subsequent years.

The State Treasurer indicates no cost to implement the provisions of LB 565.

We have no basis to disagree with the State Treasurer's estimate of cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 565	AM:	AGENCY/POLT. SUB: State Treasurer's Office
REVIEWED BY: Lyn Heaton	DATE: 3/7/2017	PHONE: (402) 471-4181
COMMENTS: No basis upon which to disagree with the State Treasurer's Office estimate given their presumption (upon follow-up question) that the Department of Revenue would be providing a linkable PDF as compliance with the new requirements of the bill.		

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 2017-2018		FY 2018-2019		FY 2019-2020	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$ 27,295	\$0	\$ 27,636	\$0	\$ 28,051	\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$ 27,295	\$0	\$ 27,636	\$0	\$ 28,051	\$0

LB 565 would expand the information that is posted on a website maintained by the State Treasurer under the Taxpayer Transparency Act. The information to be published is individual taxpayer information related to most tax incentive programs. The information required includes the identity of the taxpayer, the location, the specific tax incentive program under which the taxpayer received the incentive payments, a list of the incentive payments (defined as refunds and credits used) received by the taxpayer, the public benefits intended to be received and actually received, and finally any incentive payments recouped or recaptured. The tax incentive programs included in the requirement are:

1. The Angel Investment Tax Credit Act;
2. The Beginning Farmer Tax Credit Act;
3. The Community Development Assistance Act;
4. The Employment and Investment Growth Act;
5. The Invest Nebraska Act;
6. The Nebraska Advantage Act;
7. The Nebraska Advantage Microenterprise Tax Credit Act;
8. The Nebraska Advantage Research and Development Act;
9. The Nebraska Advantage Rural Development Act;
10. The Nebraska Job Creation and Mainstreet Revitalization Act;
11. The New Markets Job Growth Investment Act;
12. The Quality Jobs Act; and
13. The renewable energy tax credit provided in Neb. Rev. Stat. § 77-27,235.

The first ten sections of LB 565 would adopt exceptions to existing confidentiality requirements to allow this taxpayer-specific information to be disclosed.

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2017

LB⁽¹⁾ 565

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 23, 2017 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</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 to the State Treasurer's office

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____