

Revised due to adoption of amendments on General File.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$91,700		\$114,900	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	\$91,700		\$114,900	

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

LB 935, as amended by AM1888, FA110, and FA111, requires the Tax Commissioner to permit the Director of Economic Development, or designee, to inspect certain identification information derived from the tax returns of tax payers who are participating in economic development tax incentive programs. The information may only be viewed on the premises of the Department of Revenue and only for the purpose of identifying taxpayers participating in programs being audited by the Legislative Performance Audit Committee. The tax return information is to be considered confidential and any person who discloses such information is guilty of a Class I misdemeanor.

The bill also requires that applications for an agreement under the Nebraska Advantage Act shall contain information regarding the federal employer identification numbers associated with the taxpayer; an identification of which such numbers will include new employees; all unemployment insurance identification numbers, and which such numbers will include new employees.

The Department of Revenue is required to retain all relevant administrative records and data relating to the Nebraska Advantage Act for at least 20 years.

The Department of Revenue indicates that implementation of the provisions of LB 935 will require 1.0 FTE IT Applications Developer/Senior for programming changes necessary to collect and store the additional data. They will also require 0.5 FTE Fiscal Compliance Analyst to request and follow up with incentive companies on the data required by the bill. Total cost for FY2018-19 is \$91,700 with PSL of \$65,200 and for FY2019-20 total cost is \$114,900 with PSL of \$86,400.

We have no basis to disagree with the Department of Revenue's estimate of cost.

**State Agency Estimate**

State Agency Name: Department of Revenue  
 Date Due LFA: 3/6/2018  
 Approved by: Tony Fulton  
 Date Prepared: 3/6/2018  
 Phone: 471-5896

	FY 2018-2019		FY 2019-2020		FY 2020-2021	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$91,700		\$114,900		\$116,600	
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$91,700</b>		<b>\$114,900</b>		<b>\$116,600</b>	

LB 935, as amended by AM 1888 and FA 110 & 111, provides for additional data collection, data sharing, and reporting to facilitate the Legislative Audit Office's performance audit of the Nebraska Advantage Act. The bill requires the following:

- 1) Data Sharing: The bill requires the Department of Revenue to allow the Director of Economic Development or his or her designee to inspect identification information of taxpayers participating in tax incentive programs. The identifying information shall be limited to names, addresses, and identification numbers. The information may be inspected only for the purpose of "identifying taxpayers participating in programs under" performance audit. The information shall only be inspected on the premises of the Department of Revenue.
- 2) Program Applications: The bill requires the Department to collect additional information from taxpayers on the Nebraska Advantage Act application. The additional information includes federal employee identification numbers and unemployment insurance identification numbers associated with the taxpayer and the taxpayer's unitary group.
- 3) Reports: Beginning in 2019, all Nebraska Advantage participants with an active agreement shall submit a report to the Department of Revenue by October 31 of each year. The information that must be included in the report includes federal employer identification numbers, unemployment insurance identification numbers, and the amount of investment that was approved for credits in the previous taxable year by asset class. The taxpayer shall continue to submit the report until three years after the last year credits may be changed.
- 4) Record Retention: The Department of Revenue is required to retain all records and data relating to the Nebraska Advantage Act for 20 years.

It is estimated that this bill will have no impact on General Fund revenues.LB 935, as amended, will require 1.0 FTE IT Applications Developer/Senior for programming changes necessary to collect and store the additional data. The Department will also require 0.5 FTE Fiscal Compliance Analyst to request and follow up with incentive companies on the data required by the bill.

**Major Objects of Expenditure**

Class Code	Classification Title	18-19	19-20	20-21	18-19	19-20	20-21
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
A07012	IT Applications Developer/Senior	1.0	1.0	1.0	\$65,200	\$66,700	\$67,700
A21211	Fiscal Compliance Analyst	0.0	0.5	0.5	\$0	\$19,700	\$20,000
Benefits.....					\$21,500	\$28,500	\$28,900
Operating Costs.....							
Travel.....							
Capital Outlay.....					\$5,000		
Capital Improvements.....							
<b>Total.....</b>					<b>\$91,700</b>	<b>\$114,900</b>	<b>\$116,600</b>