

Revised due to adoption of amendments on General File

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$27,800	\$30,000	\$27,400	\$30,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$27,800</b>	<b>\$30,000</b>	<b>\$27,400</b>	<b>\$30,000</b>

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

LB 310 amends provisions of the Nebraska Job Creation and Mainstreet Revitalization Act. The bill requires the Department of Revenue to determine the amount of eligible expenditures, calculate the credit, and issue certificates evidencing the credit within 60 days of the application's referral by the State Historic Preservation Officer (officer). The 60-day period can be extended by up to an additional 30 days by agreement of the department and the person filing the request for approval. If the department does not make these determinations in the prescribed time period, then the credit will be deemed to have been issued in the amount requested, except that the amount must not exceed 110% of the credits allocated by the officer and the amount must not change the total credits that can be allocated by the officer for the year.

The determination of eligible expenditures and calculation of the credit can be appealed in accordance with the Administrative Procedures Act.

As amended on General File, the bill requires the credit recipient to pay a fee of 0.6% of the credit amount, which is credited to the Department of Revenue Enforcement Fund. Provisions related to the Department of Revenue Enforcement Fund are amended to allow for funds to be used to carry out the provisions of LB 310.

**Revenue:**

The Department of Revenue estimates that the bill will result in an increase in General Fund revenue, but is unable to determine the amount because the increase in the number of denials due to the provisions of LB 310 is indeterminate. The department estimates the 0.6% fee results in cash fund revenue of \$30,000 per fiscal year.

**Expenditures:**

The Department of Revenue estimates that the agency will require 0.5 FTE Fiscal Compliance Analyst to administer the bill. Expenses are to be paid from the Department of Revenue Enforcement Fund.

The Nebraska State Historical Society estimates no fiscal impact.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 310	AM: 739 & 2099	AGENCY/POLT. SUB: History Nebraska (Nebraska State Historical Society)	
REVIEWED BY: Lee Will	DATE: 01/28/2020	PHONE: (402) 471-4175	
COMMENTS: Concur with the Historical Society's assessment of no fiscal impact.			

**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFA:				
Approved by: Tony Fulton		Phone: 471-5896				
Date Prepared:						
	<b>FY 2020-2021</b>		<b>FY 2021-2022</b>		<b>FY 2022-2023</b>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds						
Cash Funds	\$27,800	\$30,000	\$27,400	\$30,000	\$28,000	\$30,000
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$27,800</b>	<b>\$30,000</b>	<b>\$27,400</b>	<b>\$30,000</b>	<b>\$28,000</b>	<b>\$30,000</b>

LB 310 adds additional time frames during which the Department of Revenue (Department) must act and adds to the list of determinations that may be appealed with regard to the Nebraska Job Creation and Mainstreet Revitalization Act application process. Neb. Rev. Stat. § 77-2906(1)(b) requires the Department to determine the amount of eligible expenditures, calculate the amount of credits, and issue one or more certificates evidencing the credits within 60 days after the time the State Historic Preservation Officer (Officer) submits the application to the Department. An additional period not exceeding 30 days may be agreed upon by both the Department and the applicant requesting final approval of the expenditures and credits. If the Department fails to determine the expenditures, calculate the credits and issue the certificates within the applicable time frame, then the credit is considered issued by the Department for the amount requested. This amount cannot exceed 110% of the amount of credits allocated by the Officer under Neb. Rev. Stat. §77-2905 and cannot increase or decrease the total amount of credits that may be allocated by the officer under Neb. Rev. Stat. §77-2905 in any calendar year. Neb. Rev. Stat. §77-2906 (1)(c) allows for any determination of the amount of eligible expenditures or calculation of the amount of credit by the Department to be appealed.

Amendment 739 adds to §77-2906(4) an additional fee equal to .275 of 1% of the credit amount to be paid by the recipient of the credit to the Department to offset the costs of processing credit applications under this section. Amendment 2099 changes the fee in § 77-2906(4) from .275 of 1% of the credit amount to .6 of 1% of the credit amount. Additionally, instead of the Department retaining the fee, the Department will remit the fee to the State Treasurer for credit to the Department of Revenue Enforcement Fund. AM 2099 also harmonizes § 77-5601 to allow money from § 77-2906 to be credited to the Department of Revenue Enforcement Fund and allow such money to be used to defray the costs incurred to implement LB 310, AM 739, and AM 2099.

Under LB 310, the referral of the application by the Officer to the Department occurs after the Officer receives Part 3 of the application from the applicant. The request for certification of credits that is required to substantiate the eligible expenditures is Part 4 of the application. As written, it is likely that this bill will require the Department to determine expenditures, calculate credits and issue certificates before the Department has the necessary information to perform these duties. Based on past experience, this could be approximately 50% of all applications for credits. Additionally, LB 310 does not provide a tolling provision, which provides time for the taxpayer to collect information to send to the Department. Consequently, LB 310 would likely increase the number of denials due to lack of records and or information necessary to approve the credits. Any increase in denials due to this bill is indeterminable. It is estimated that this bill will result in an indeterminable increase in General Fund revenues.

The Department would require 0.5 FTE Fiscal Compliance Analyst to implement this bill.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	20-21	21-22	22-23	20-21	21-22	22-23
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
A21211	Fiscal Compliance Analyst	0.5	0.5	0.5	\$20,900	\$20,600	\$21,100
Benefits.....					\$6,900	\$6,800	\$6,900
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>					<b>\$27,800</b>	<b>\$27,400</b>	<b>\$28,000</b>

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2020

LB<sup>(1)</sup> 310, AM739 & AM2099

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> History Nebraska (Nebraska State Historical Society)

Prepared by: <sup>(3)</sup> Michelle Furby Date Prepared: <sup>(4)</sup> January 27, 2020 Phone: <sup>(5)</sup> 402-471-3171

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____