

PREPARED BY: Scott Danigole
 DATE PREPARED: April 18, 2019
 PHONE: 471-0055

LB 428

Revision: 01

Revised for all amendments adopted to date.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		14,500,000		14,500,000
TOTAL FUNDS		14,500,000		14,500,000

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

LB 428, as amended, changes the calculation of Unemployment Insurance Tax rates. Under the amended bill's provisions, wages included in the calculation are generally limited to \$9,000 per individual. For higher risk employers, wages would be limited to \$24,000 per individual. Such calculations are effective beginning January 1, 2020.

The Nebraska Department of Labor (NDOL) estimates collection of approximately \$14,500,000 more in unemployment insurance taxes, which will go to the Unemployment Trust Fund.

There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 428	AM: 758 & FA 41	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Neil Sullivan	DATE: 4/16/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Labor assessment of fiscal impact from LB 428 as amended by AM 758 and FA 41.		

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 428, AM758 & FA41

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Labor

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 4-10-2019 Phone: ⁽⁵⁾ 402-471-9912

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	_____	\$14,500,000	_____	\$14,500,000
TOTAL FUNDS	<u>_____</u>	<u>\$14,500,000</u>	<u>_____</u>	<u>\$14,500,000</u>

Explanation of Estimate:

AM 758 eliminates the conformity issue identified in the original LB 428. LB 428 with AM758 as amended by FA41 adjusts the taxable wage base for unemployment insurance of employers assigned to category 20. Employers assigned to categories 1 through 19 will continue to have a taxable wage base of \$9,000. By law, positive balance employers cannot be assigned to category 20, so only employers who have had more unemployment benefits charged to their account than they have paid in taxes will be affected.

NDOL anticipates it will collect approximately \$14,500,000 more in unemployment insurance taxes from negative balance employers. This money will go to the Unemployment Trust Fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Salaries.....	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

