## LB 560

## Revision: 01 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to adoption of amendments on General File

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							
TOTAL FUNDS							

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

As amended, the original provisions of LB 560 are replaced with the provisions of LB 623. The bill amends the Beginning Farmer Tax Credit Act to:

- Define "cash rent agreement" and "flex or variable rent agreement;"
- Clarify a beginning farmer or livestock producer is eligible to file subsequent applications for different assets;
- Clarify the tax credits under the act are refundable;
- Clarify an owner of agricultural assets is eligible to file subsequent applications for different assets and eligible for credits on the same asset with a different beginning farmer or livestock producers when the rental agreement is terminated prior to the end of the three-years period through no fault of their own; and
- Prohibit the board from approving credits for assets that have been previously approved in a qualifying rental agreement.

This bill is not estimated to have a fiscal impact to the state. The Department of Revenue estimates no impact to the General Fund and no costs to administer the bill.

## LB 560 AM 1414

## Fiscal Note 2019

State Agency Estimate								
State Agency Name: Department of	of Revenue				Date Due LFA:			
Approved by: Tony Fulton		Date Prepa	red:	Phone: 471-5896				
	FY 2019-2020		FY 202	0-2021	FY 2021-2022			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0		

LB 560 as amended by AM 1414 amends the Beginning Farmer Tax Credit Act. The bill defines "cash rent agreement" to include both a rental agreement in which assets are given in consideration for a predetermined amount of money and a variable rent agreement where the amount paid is adjusted based on actual crop yield, crop price, or both based on a predetermined formula.

The bill clarifies that a qualified beginning farmer or livestock producer and owners of agricultural assets are eligible to submit subsequent applications for rental agreements for different assets. However, tax credits may not be issued for a single agricultural asset for more than three years. The bill also clarifies that the tax credits are refundable. The Department has treated the credits as refundable, and this bill clarifies a conflict between statutes.

AM 1414 amends the Beginning Farmer Tax Credit Act to align with current administrative practices of the program. There is no impact to the General Fund. There is no cost to administer the bill.

Major Objects of Expenditure								
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 <u>Expenditures</u>	21-22 <u>Expenditures</u>	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Capital Improvements								
Total								