Clinton Verner January 28, 2022 402-471-0056

LB 1150

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2022-23		FY 2023-24				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$26,250						
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$26,250						

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

LB1150 sets new reporting requirements for taxpayers to qualify for credits under the ImagiNE Nebraska Act and sets new requirements for the purpose of tax incentive performance audits.

The Department of Revenue estimates a one-time cost of \$26,250 to cover a programming charge paid to OCIO. No basis to disagree with their estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE								
LB: 1150	LB: 1150 AM: AGENCY/POLT. SUB: Department of Revenue							
REVIEWED BY:	Patrick Redmond	DATE: 1/28/2022	PHONE: (402) 471-4181					
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 1150.								

State Agency Estimate								
State Agency Name: Department of Revenue Da					Date Due LFO:			
Approved by: Tony Fulton		Date Prepared:	1/28/2022 Phone: 471-5896					
	<u>FY 2022-2023</u>		FY 2023-2024		FY 2024-2025			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	\$26,250	Minimal						
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	\$26,250	Minimal						

LB 1150 would amend Neb. Rev. Stat. sections 77-6827 and 77-6828 of the ImagiNE Nebraska Act to change provisions relating to the contents of applications and agreements as follows:

- An application must state whether locations in other states were also considered for relocation or expansion of the taxpayer's business. If other locations were considered, the application will also state if incentives were offered by other states. If incentives were offered by other states, the application must also state if they were considered.
- Provide the most recent taxable valuations and levy rates for all qualified locations.

If an application is approved, the written agreement requires that the taxpayer provide the following information for the purpose of tax incentive performance audits:

- The occupation code under the Standard Occupational Classification System of the Federal Bureau of Labor Statistics for all employees included in the number of new employees.
- The asset class as determined under Internal Revenue Service Publication 946 for all qualified property.
- If credits are used for job training pursuant to subdivision (1)(e) of section 77-6832, a program schedule of the job training activities.
- If credits are used for talent recruitment pursuant to subdivision (1)(e) of section 77-6832, the city and state where recruited employees lived when the talent recruitment activities took place.

LB 1150 becomes operative three months after adjournment.

It is estimated that this amendment will have minimal impact on General Fund revenues.

LB 1150 will require a one-time programming charge of \$26,250 paid to the OCIO to update the 1107N ImagiNE Database.

Major Objects of Expenditure								
Class Code	<u>Classification Title</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	
Benefits								
Operating Costs					\$26,250			
Travel								
Capital Outlay								
Capital Improvements								
Total				\$26,250				