

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				(\$281,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				(\$281,000)

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

LB 18 seeks to amend the ImagiNE Nebraska Act by redefining equivalent employees and expanding the list of qualified locations. The definition for equivalent employees divides the total hours paid to employees by 40 times the number of weeks in a year. Under LB 18, only hours paid to employees that were employed in Nebraska and were liable for Nebraska income tax qualify in this computation. Originally, the statute only requires an employee to be a resident of Nebraska for an hour paid to qualify.

LB 18 also expands the list of qualified locations. LB 18 specifies locations conducting Postharvest Crop Activities (NAICS code 115114) as being qualified. The list is also expanded to include locations processing tangible personal property. The processing of tangible personal property refers to the application of a method or process to prepare such property for use without a significant transformation.

LB 18 includes the emergency clause, and as such would go into effect immediately upon being passed.

The Department of Revenue expects that LB 18 will expand the number of projects that qualify for benefits under the ImagiNE Nebraska Act. The Department estimates the following impact to General Fund revenues:

- FY21-22: \$0
- FY22-23: (\$281,000)
- FY23-24: (\$569,000)
- FY24-25: (\$611,000)
- FY25-26: (\$653,000)
- FY26-27: (\$703,000)

The assumptions made by the Department appear reasonable, and there is no basis to disagree with the estimates provided.

The Department expects no additional costs to implement LB 18. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 18	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/23/2021	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 18.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 18	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 2/19/2021	PHONE: (402) 471-4179	
COMMENTS: The Department of Economic Development assessment of indeterminate fiscal impact from LB 18 appears reasonable.			

