

PREPARED BY: Austin Ligenza  
 DATE PREPARED: December 23, 2021  
 PHONE: (402)-471-0050

**LB 38**

Revision: 01

Revised for 2022 session

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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.**

LB 38 amends provisions related to the payment of retaliatory tax payments and various related tax credits. LB 38 clarifies the qualifications for being exempt from some or all retaliatory tax due under sections 44-150 and 77-908. The amount not required to be paid is equal to up to the full amount of the tax credit claimed that led to the retaliatory tax.

The Department of Revenue estimates no impact to General Fund revenues, as well as no fiscal impact to implement. This estimate was provided in the 2021 session. There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 38	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 02/02/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact.			

**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFO:						
Approved by: Tony Fulton		Phone: 471-5896						
<b>FY 2021-2022</b>		<b>FY 2022-2023</b>		<b>FY 2023-2024</b>				
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0			\$ 0			\$ 0
Cash Funds								
Federal Funds								
Other Funds								
<b>Total Funds</b>		<b>\$ 0</b>			<b>\$ 0</b>			<b>\$ 0</b>

Section 1 and 2 of LB 38 concern the New Markets Job Growth Investment Act and Nebraska Affordable Housing Tax Credit. The new language clarifies that the taxpayer or insurance company claiming the credit will not be required to pay additional related retaliatory tax up to the full amount of the claimed tax credit.

Section 3 inserts the same statutory language into §77-2909 pertaining to the tax credit for the Nebraska Job Creation and Mainstreet Revitalization Act. However, it also adds § 77-908 to the sections of retaliatory tax that taxpayers are not required to pay.

LB 38 concerns retaliatory tax and will have no impact on corporation income tax collection and therefore, no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	<u>21-22</u> <u>FTE</u>	<u>22-23</u> <u>FTE</u>	<u>23-24</u> <u>FTE</u>	<u>21-22</u> <u>Expenditures</u>	<u>22-23</u> <u>Expenditures</u>	<u>23-24</u> <u>Expenditures</u>
<b>Total</b>							