Keisha Patent February 1, 2022 402-471-0059

LB 817

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 202	2-23	FY 2023-24			
	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.

LB 817 seeks to make various changes related to the ImagiNE Nebraska Act and other Incentive Acts.

Section 1 authorizes the Tax Commissioner to examine and record the social security numbers of any political subdivisions, persons, or corporations subject to Nebraska tax law.

Sections 2 through 7 shift the due dates for reports and joint hearings. Additionally, the analysis period for such reports is shifted from calendar years to fiscal years.

ImagiNE Nebraska Act:

The dates for the report required under the ImagiNE Nebraska Act are amended to match fiscal year reporting. Section 8 redefines investment under the ImagiNE Nebraska Act to include improvements to real estate. Additionally, LB 817 clarifies language relating to client-lessees under the ImagiNE Nebraska Act, and applications on the wait list are to retain the same application date and base year.

LB 817 contains the emergency clause, and as such would be operative immediately upon enactment.

The Department of Revenue estimates that LB 817 will have no revenue or expenditure impact to the General Fund or the department. There is no basis to disagree with this estimate.

ADMIN	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 817	AM:	AGENCY/POLT. SUB: Depart	AGENCY/POLT. SUB: Department of Revenue			
REVIEWED	BY: Neil Sullivan	DATE: 1/28/2022	PHONE: (402) 471-4179			
COMMENTS	: The Department of R	evenue assessment of no fiscal impact	from LB 817 appears reasonable.			

State Agency Estimate							
State Agency Name: Department of	Date Due LFO:						
Approved by: Tony Fulton		Date Prepared:	1/28/2022		Phone: 471-5896		
	<u>FY 2022-2023</u>		FY 2023-2024		<u>FY 2024-2025</u>		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ 0					
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0					

CALLAR A CALLAR TRACTOR

LB 817 contains modifications and clarifications to the ImagiNE Nebraska Act:

- Amends Neb. Rev. Stat. §77-6837(5) (reporting) to change "December 31 of the prior year" to "June 30 of the current year" to match the fiscal year reporting period in §77-6837(1);
- Correlates time of investment to the percentage of completion in Neb. Rev. Stat. §77-6811;
- Amends Neb. Rev. Stat. §77-6831(3)(b) to strike the word "income" in the last line. Recapture of sales tax exemptions will be on a sales tax form rather than an income tax form;
- Clarifies that with an employee leasing company, the denominator of the withholding ratio is only that client in Neb. Rev. Stat. §77-6832(1)(b);
- Clarifies that those whose applications are placed on the wait list, because the base authority has been exceeded, maintained their base year. Neb. Rev. Stat. §77-6839(2)(a)(ii);
- Clarifies that Department of Revenue (DOR) may obtain employee social security numbers under Neb. Rev. Stat. §77-376
- Changes other Incentive Acts to provide for reporting on a fiscal year and accrual basis in December to match the ImagiNE Nebraska Act. Amends Neb. Rev. Stat. §§77-27,195, 77-4110, 77-4933, 77-5731, 77-5807, and 77-5907.

It is estimated that this amendment will have no impact on General Fund revenues.

It is estimated that there are no costs to DOR to implement this bill.

The operative date for this bill is three months after adjournment.

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