

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$45,000,000)	(\$45,000,000)	(\$105,333,000)	(\$105,333,000)
CASH FUNDS	\$45,000,000	\$45,000,000	\$105,333,000	\$105,333,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

LB 429 creates the Tax Equity and Education Opportunities Support Act (TEEOSA) Trust Fund. Under the bill, every year beginning in 2023, the Department of Revenue (DOR) would need to certify to the State Treasurer the amount of credits that remain unclaimed under the Nebraska Property Tax Incentive Act for the tax year completed three years prior. The State Treasurer would transfer that amount from the General Fund to the TEEOSA Trust Fund.

The State Treasurer would disburse money from the TEEOSA Trust Fund to the Department of Education (NDE) monthly as appropriated by the Legislature to provide state aid pursuant to section 79-1022. Any excess money in the Fund would be reserved for future payment of state aid pursuant to section 79-1022.

Any money in the TEEOSA Trust Fund available for investment would be invested by the state investment officer, and the earnings would be credited to the TEEOSA Trust Fund.

The DOR estimates the following impact to the General Fund from this bill:

	General Funds revenue	Trust Fund
FY23-24	\$ (45,000,000)	\$ 45,000,000
FY24-25	\$ (105,333,000)	\$ 105,333,000
FY25-26	Indeterminable	Indeterminable

DOR estimates minimal costs to implement the bill.

There is no basis to disagree with these estimates by the DOR.

The State Treasurer estimates no fiscal impact to it from the bill. There is no basis to disagree with this estimate.

TECHNICAL NOTE:

The look back period in the bill is three years. The Department of Revenue notes that taxpayers can claim the tax credit until three years after the filing of the initial credit. For example: a taxpayer can claim the property tax credit for tax year 2020 until April 15, 2024. As such, the amount credited to the cash fund is certified before the amount of unclaimed credits is a final number, and as a result, there will be an ongoing loss of General Fund revenue if taxpayers claim the credit after the transfer amount is certified.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 429 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue

REVIEWED BY: Gary Bush DATE: 3/6/23 PHONE: (402) 471-4161

COMMENTS: Agree the bill would have no fiscal impact to the agency. Agree the bill would result in a General Fund revenue decrease.
No basis to disagree with the estimate in the amount of unclaimed property tax incentive credits from three years prior. There would be an impact to the General Fund appropriations to TEEOSA in the amount of funds made available from unclaimed property tax incentives.
The bill implies and appropriation for the Department of Education to utilize the funding being directed to TEEOSA but none is provide by the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 429 AM: AGENCY/POLT. SUB: State Treasurer

REVIEWED BY: Gary Bush DATE: 1/30/23 PHONE: (402) 471-4161

COMMENTS: No basis to disagree with the estimate provided.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 429 AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 1/19/23 PHONE: (402) 471-4161

COMMENTS: Agree with the agency that there would be no fiscal impact to the agency. However, there would be an impact to the General Fund appropriations to TEEOSA in the amount of funds made available from unclaimed property tax incentives.

It is estimated that there will be minimal costs to DOR to implement this bill.

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 429

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 25, 2023 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 429 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 429

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/18/23 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 429 creates the TEEOSA Trust Fund from unclaimed property tax incentives accrued over the last three years. The new fund will provide an additional source of funding for TEEOSA. Currently TEEOSA is funded by General funds and Insurance Premium tax funds. No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____