

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	\$24,624	(\$1,652,000)		(\$3,007,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$24,624	(\$1,652,000)		(\$3,007,000)

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

LB 697 seeks to amend provisions of the Nebraska Job Creation and Mainstreet Revitalization Act (Act). The bill redefines historically significant real property to include at-grade or above ground structures. The bill redefines improvement to include projects with a total cost which equal or exceed \$5,000.

LB 697 also seeks to change the amount of nonrefundable credits being equal to 20% of eligible expenditures up to a maximum credit of \$1 million to the following:

- For historically significant real property located in a county that includes a city of the metropolitan class or a city of the primary class, the credit would be equal to 25% of eligible expenditures.
- For historically significant real property located in any other county, the credit would be equal to 30% of eligible expenditures.
- In all cases, the maximum credit allocated to any one project would be \$2 million.

LB 697 changes the total amount of credits that can be allocated per calendar year, starting January 1, 2025, to \$12 million, from the current \$15 million, while maintaining that \$4 million dollars would need to be reserved for applications seeking an allocation of credits of less than \$100,000.

LB 697 adds engineering fees and any costs generally related to the protection of the historically significant real property from deterioration to eligible expenditures that could be incurred up to 6 months prior to the submission of the application for credits.

LB 697 adds that the report regarding the Act by the Nebraska State Historical Society and the Department of Revenue (DOR) would need to be issued to the Revenue Committee of the Legislature no later than December 31 of each year.

LB 697 extends the deadline for new applications under the Act from December 31, 2022, to December 31, 2031. All applications and all credits pending or approved before such date would continue in full force and effect, except that no credits would be allocated under section 77-2905, issued under section 77-2906, or used on any tax return or similar filing after December 31, 2036. This extends the deadline to claim credits from December 31, 2027.

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

- FY23-24: (\$1,652,000)
- FY24-25: (\$3,007,000)
- FY25-26: (\$4,364,000)
- FY26-27: (\$5,723,000)

Additionally, the DOR estimates the need for a one-time programming charge of \$24,624 to be paid to the Office of the Chief Information Officer (OCIO) to make changes to the Historical Tax Credit application program.

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

The Nebraska State Historical Society estimates no fiscal impact to it as a result of the bill. There is no basis to disagree with this estimate.

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

LB: 697 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Neil Sullivan DATE: 3/20/2023 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 697.

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

LB: 697 AM: AGENCY/POLT. SUB: State Historical Society

REVIEWED BY: Neil Sullivan DATE: 3/15/2023 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the State Historical Society assessment of no fiscal impact from LB 697.

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

2023

LB⁽¹⁾ 697

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ History Nebraska (Nebraska State Historical Society)
402444

Prepared by: ⁽³⁾ Michelle Furby Date Prepared: ⁽⁴⁾ January 31, 2023 Phone: ⁽⁵⁾ 402-471-3171

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:

“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.....	_____	_____	_____	_____