

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$110,299		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$110,299		\$0	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1086 would amend the Nebraska Employment Security Law, Nebraska Revised Statutes Section 48-649, to provide the Labor Commissioner with certain duties in regard to setting the state's unemployment insurance rate.

The bill provides that each calendar year the Labor Commissioner shall make an initial determination of the state's unemployment insurance rate for the following year by December 1 of the current year.

By December 1 of the current year, the Commissioner is to communicate that a final determination of the tax rate, or phase in requirements, of all categories of the tax rate will be available on the department's web site by December 20.

By December 15 of the current year, the Commissioner is to hold a public hearing on the proposed tax rate and, based on public testimony received at that hearing and information available through the Department of Labor, determine whether or not to adjust the initial tax rate or phase the tax rate in for the period of January 1 through June 30 of the following year. The Commissioner is also at that time to determine the proposed tax rate for the period July 1 through December 31 of the following year. This information is to be posted to the department's web site by December 20 of the current year.

By June 1, the Commissioner is to set the tax rate for July 1 through December 31 of that year.

The Department of Labor estimates a one-time expenditure for computer programming costs of \$110,299 for FY10-11 in order to accommodate initial and final state unemployment tax rates with phase in requirements. The expenditure would have to be made from General Fund dollars because the provisions of LB 1086 are not required as a condition of federal conformity or compliance relating to the collection of contributions and Federal Funds could not be used to pay for the start up costs necessitated by LB 1086.

There is no basis to disagree with the Department's estimate of expenditure.