

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$1,228,000)		(\$2,458,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$1,228,000)		(\$2,458,000)

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

LB 1049 amends the Rural Community-Based Energy Development Act, Nebraska Revised Statutes Sections 70-1902, 70-1903, and the Nebraska Revenue Act, Nebraska Revised Statutes Section 77-2704.57.

Section 70-1902 in amended to insert new intent language.

Section 70-1903 is amended to expand the qualification requirements for C-BED projects by providing that a project qualifies if at least 33 percent of the total cost to construct the project uses qualified inputs. Qualified inputs are defined to include construction material, parts, certain services, and components necessary to build a C-BED project that are obtained from a company organized or incorporated in Nebraska under Nebraska law for at least 18 months prior to application and has employed at least ten Nebraska residents for at least 18 months before the date of the project application.

The definition also includes parts, materials, and components that are manufactured, assembled, or fabricated in Nebraska as qualified inputs.

Section 77-2704.57 is amended to provide that additional information regarding the companies providing inputs to projects may be provided to the Tax Commissioner. The bill also amends this section to include the language regarding a C-BED project using at least 33 percent qualified inputs and adds the definition of qualified inputs.

The Department of Revenue, based on the assumption the one new project will occur in FY10-11 and one new project in FY12-13 as a result of the bill, estimate the impact to the General Fund will be a reduction in sales and use tax by \$1.228 million in FY10-11, a reduction of \$2.458 in FY11-12, and a reduction of \$2.570 in FY12-13.

The Department estimates the cost to implement LB 1049 will be minimal.

There is no basis to disagree with the Department's estimate of fiscal impact or cost.