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LB 1080

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1080 amends the Nebraska Advantage Act, Nebraska Revised Statutes Sections 77-5715 and 77-5725.

Section 77-5715 is amended to create a new tier of projects. A Tier 7 project level is created and applies only to a business engaged in the production by wind energy turbines of electricity for sale.

Section 77-5725 (1) (g) is amended to include the new Tier 7 project level and requires an unspecified investment in qualified property. In subsection (9) (a) the taxpayer who has met the unspecified level of investment shall receive the incentive provided for a Tier 7 project. The incentive for a Tier 7 project is a personal property tax exemption for any depreciable personal property and wind turbines.

The property would be eligible for the personal property tax exemption from the first January 1 following the date of acquisition of the eligible property. The bill indicates that the project would be subject to recapture if the required level of investment is not met but does not indicate how long the business has to meet the required level of investment.

Because the incentive benefit is a personal property tax exemption, which taxes are collected and expended on the local level, the bill has no fiscal impact to state revenues.

The Department of Revenue has indicated the cost to implement the provisions of LB 1080 will be minimal.

There is no basis to disagree with the Department of Revenue.