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DATE PREPARED: February 22, 2012
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LB 1135

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$ 203,423	(\$ 2,500,000)	\$ 93,207	(\$ 2,500,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 203,423	(\$ 2,500,000)	\$ 93,207	(\$ 2,500,000)

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

LB 1135 amends Nebraska Revised Statutes dealing with revenue and taxation to provide an income tax credit.

The bill creates a nonrefundable and nontransferable income tax credit for individuals, corporations, trusts, and estates that purchase certain energy star certified items. The credit is to be equal to five percent of the purchase price for windows, central air conditioners, furnaces, heat pumps, or water heaters purchased during the tax year. The amount of credit a taxpayer may receive in any one tax year is capped at \$250.

The taxpayer must apply to the Department of Revenue for the credit and provide documentation as required by the Department to verify eligibility.

The applications are to be considered by the Department in the order they are received and the maximum amount of credits that may be approved in a calendar year is capped at \$2,500,000. After the cap is reached, no further applications are to be considered.

The Department may accept application for credits through December 31, 2014.

Energy star certified means approved as to energy usage by the U.S. Environmental Protection Agency and the U.S. Department of Energy.

The Department of Revenue estimates the General Fund revenue impact as follows:

FY2012-13:	(\$ 2,500,000)
FY2013-14:	(\$ 2,500,000)
FY2014-15:	(\$ 2,500,000)

The Department indicates the cost to implement LB 1135 will include a one-time mainframe programming charge by the OCIO to add lines to the 1040N, 1120N, and 1041N returns and to NebFile which is estimated to total \$90,794. The Department also estimates they will need 2.5 FTE Revenue Operations Clerk II.

We agree with the Department's estimate of fiscal impact and cost.

