Doug Gibbs February 02, 2015 402-471-0051

## LB 255

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	5-16	FY 2016-17					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS	\$94,365	\$0	\$0	(\$11,599,000)				
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	\$94,365	\$0	\$0	(\$11,599,000)				

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

LB 255 amends the Nebraska Revenue Act of 1967 to provide for a nonrefundable income tax credit for wages paid to an apprentice as part of a qualified apprenticeship training program.

The tax credit is to be in an amount that is equal to one dollar multiplied by the number of hours worked by an apprentice as part of a qualified apprenticeship program during the taxable year for which the credit is claimed. The credit may not exceed the lesser of a) \$2,000 or b) 50% of the total wages paid to the apprentice during the taxable year.

A qualified apprenticeship program is one that is: a) administered according to 29 U.S.C. 50; b) consists of at least 1,200 hours but no more than 6,000 hours of on-the-job apprenticeship; c) is certified in accordance with regulations adopted by the U.S. Bureau of Apprenticeship and Training; and d) is jointly administered by labor and management trustees.

The Department of Revenue estimates the fiscal impact of LB 255 as follows:

FY2015-16:	\$	0
FY2016-17:	(\$ 11,5	99,000)
FY2017-18:	(\$ 12,8	10,000)

The Department indicates that LB 255 would require a one-time programming charge of \$94,365 paid to the Office of the CIO to add one or more lines to the Form 1040N and to the NebFile system, one or more lines to the Form 1041N, and one or more lines to the Form 1120N.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 255 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVIEWED BY: Lyn Heaton DATE: 2/2/2015 PHONE: 471-4181						
COMMENTS: No basis upon which to disagree with the Department's analysis.						

## Fiscal Note 2015

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFA: 2/2/20								
Approved by: Len Sloup		Date Prepared:	2/2/2015		Phone: 471-5896			
FY 2015-201		-2016	016 <u>FY 2016-2017</u>		FY 2017-2018			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	\$94,365	\$0	\$0	\$(11,599,000)	\$0	\$(12,810,000)		
Cash Funds Federal Funds								
Other Funds								
Total Funds	\$94,365	\$0	\$0	\$(11,599,000)	\$0	\$(12,810,000)		

LB 255 provides a nonrefundable income tax credit for wages paid to qualified apprentices. The tax credit is equal to one dollar for each hour worked during the taxable year by an apprentice of up to \$2,000 or 50% of the total wages paid to such apprentice during the taxable year, whichever is less.

A qualified apprenticeship training program is defined as a program that is administered pursuant to 29 U.S.C. § 50; consists of at least 1,200 hours, but not more than 6,000 hours, of on-the-job apprenticeship training in the construction trades; is certified in accordance with regulations adopted by the United States Bureau of Apprenticeship and Training; and is jointly administered by labor and management trustees.

The estimated total reduction to the General Fund revenues would be as follows:

FY 2015-2016	\$ 0
FY 2016-2017	\$ 11,599,000
FY 2017-2018	\$ 12,810,000

LB 255 would require a one-time programming charge of \$94,365 paid to the OCIO to add one or more lines to the Form 1040N and to NebFile, one or more lines to the Form 1041N, and one or more lines to the Form 1120N.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>	17-18 <u>Expenditures</u>	
			-					
Benefits	1							
Operating Costs					\$94,365	\$0	\$0	
Travel								
Capital Outlay								
Aid								
Capital Improveme	nts	•••••						
Total					\$94,365	\$0	\$0	