PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 25, 2015 402-471-0051

LB 559

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	ENDITURES REVENUE		REVENUE			
GENERAL FUNDS		(\$875,559)		(\$928,093			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$875,559)		(\$928,093)			

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

LB 559 amends the New Markets Job Growth Investment Act, Section 77-1113.

The bill provides that a tax credit claimed under the Act against the insurance premium tax is to be considered a payment of tax for purposes of the insurance premium tax (Sec. 77-2734.03) and taxes paid for purposes of offsetting the corporate income tax.

The bill contains the emergency clause.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 559:

FY2015-16: (\$ 875,559) FY2016-17: (\$ 928,093) FY2017-18: (\$ 1,011,621)

The Department of Revenue indicates that the cost to implement LB 559 will be minimal.

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

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 559 AM: AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Lyn Heaton			DATE: 3/2/2015		PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.					

LB 559 Fiscal Note 2015

State Agency Estimate							
State Agency Name: Departmen	t of Revenue				Date Due LFA:	3/2/2015	
Approved by: Len Sloup		Date Prepared:	3/2/2015		Phone: 471-5896		
	FY 2015-2016		FY 2016	<u>5-2017</u>	FY 2017-2018		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$0	\$(875,559)	\$0	\$(928,093)	\$0	\$(1,011,621)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$0	\$(875,559)	\$0	\$(928,093)	\$0	\$(1,011,621)	
	·						

LB 559 provides that tax credits claimed against insurance premium tax assessments under the New Markets Job Growth Investment Act are deemed taxes paid for purposes of offsetting corporate income tax.

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

FY 2015-2016	\$	875,559
FY 2016-2017	\$	928,093
FY 2017-2018	\$ 1	,011,621

The Department's cost to implement LB 559 is estimated to be minimal.

Major Objects of Expenditure								
Class Code	<u>Classification Title</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures	
Benefits	Benefits							
Operating Costs								
Travel								
Capital Outlay	Capital Outlay							
Aid								
Capital Improveme	Capital Improvements.							