

Revised to reflect any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				23,000
CASH FUNDS		10,000		10,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		10,000		33,000

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

LB 895 as amended by AM2082, AM2119, and AM2344 adds a sixth tier to the Nebraska Advantage Act. The sixth tier requires compensation to be greater than 200% of the county average for the county where the project is located or 150% of the state average wage. Sixth tier investment level in qualified property is \$10 million with 75 new employees or \$100 million in investment with 50 new employees.

Tier six qualifiers will receive investment credits of 15% and a compensation credit equal to 10% of the average annual compensation of new employees times the number of new employees. Tier 6 qualifiers may use credits against real property located at the project, all personal property at the project site is exempt, and credits may be used against sales and use tax liability anywhere in the state.

Tier 6 application fee is \$10,000.

As amended, LB 895 makes changes to the Nebraska Advantage Rural levels. The lowest level can be requested for an activity in a village or small city regardless of the county. In addition, the limit on applications under this level is increased from \$3 million to \$4 million beginning in fiscal year 2009-10.

The Department of Revenue estimates that any additional work could be absorbed with currently budgeted resources.

The Department of Revenue estimates the following General Fund impact based on only the additional benefits. The table below represents the cumulative impact of all the provisions currently included in LB 895. There is no basis to disagree with these estimates.

Fiscal Year	General Fund Impact
2008-2009	\$0
2009-2010	\$23,000
2010-2011	(\$930,000)
2011-2012	(\$887,000)
2012-2013	(\$906,000)
2013-2014	(\$1,587,000)
2014-2015	(\$3,680,000)
2015-2016	(\$4,432,000)
2016-2017	(\$4,518,000)
2017-2018	(\$4,596,000)
2018-2019	(\$6,225,000)
2019-2020	(\$6,346,000)