Keisha Patent February 18, 2020 402-471-0059

LB 1034

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2020-21		FY 2021-22				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 1034 amends the Nebraska Advantage Act to extend the application date from December 31, 2020, to December 31, 2021, and to strike the 3% and 4% employment credit for 60% and 75% of the average annual wage for new employees for tiers 1 to 4. LB 1034 clarifies the changes are applicable to all applications filed on or after the effective date of the bill.

Revenue:

The Department of Revenue estimates no impact to the General Fund as the provisions of the bill simply shift the timing of applications, but not necessarily the number of applications.

Expenditures:

The department estimate no cost to implement the bill.

There is no basis to disagree with these estimates.

LB 1034

Fiscal Note 2020

State Agency Estimate								
State Agency Name: Department of	of Revenue				Date Due LFA:			
Approved by: Tony Fulton	Date Prepared:				Phone: 471-5896			
	FY 2020-2021		FY 202	FY 2021-2022		FY 2022-2023		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds								
Cash Funds								
Federal Funds								
Other Funds								
Total Funds								
Cash Funds Federal Funds Other Funds								

LB 1034 sunsets the Nebraska Advantage Act on December 31, 2021. No new applications would be accepted after that date. The bill also removes the 3% and 4% employment credit for wages that are 60% of the Nebraska average annual wage and 80% of the Nebraska average annual wage. The 5% employment credit if the average wage of new employees is at least 100% of the Nebraska average annual wage, and the 6% employment credit if the average wage of new employees is at least 125% of the Nebraska average annual wage would remain. These changes would be operative to all applications filed on or after the effective date of the bill.

The Department of Revenue (DOR) estimates that the extended sunset date and removal of the 3% and 4% employment credit will have no General Fund impact. Any applicants seeking to obtain the 3% or 4% employment credit level will apply prior to this legislation being enacted with attainment reached at a later time.

There are no costs to the DOR to implement this bill.

Major Objects of Expenditure								
Class Code	Classification Title	20-21 <u>FTE</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	20-21 <u>Expenditures</u>	21-22 <u>Expenditures</u>	22-23 Expenditures	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Capital Improvements								
Total								