PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza March 1, 2021 (402)471-0050 **LB 434**

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22		FY 2022-23				
	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 434 seeks to change language regarding the Tax Expenditure Report created by the Department of Revenue. Various sections are simplified, such as the examples given for services purchased for nonbusiness use, where the word maintenance replaces motor vehicle cleaning, repair services, etc.

Furthermore, under LB 434, the Nebraska Advantage Act Report and the ImagiNE Nebraska Act Report would no longer be presented every year, but instead on even-numbered years. The submission of each report is still due annually. Furthermore, the due dates are changed to the following:

- Submission of the Nebraska Advantage Act Report to the Legislature by July 15;
- Appearance at a joint hearing of the appropriations and revenue committee by September 1 to present the Nebraska Advantage Act Report; and
- Appearance at a joint hearing of the appropriations and revenue committee with the Director of Economic Development by December 15 to present the ImagiNE Nebraska Act Report.

LB 434 contains the emergency clause, and as such will go into effect immediately upon passing.

The Department of Revenue estimates no fiscal impact to the General Fund or to itself as a result of LB 434. There is no basis to disagree with this estimate.

State Agency Estimate									
State Agency Name: Department	t of Revenue				Date Due LFO:				
Approved by: Tony Fulton		Date Prepared: 2/26/2021 Phone: 471-5896							
	FY 2021-	FY 2021-2022		-2023	FY 2023-2024				
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
General Funds	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$ 0			
Cash Funds									
Federal Funds									
Other Funds									
Total Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
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LB 434 amends the categories to be reported in the Tax Expenditure Report. The requirement to list recent sales tax expenditures for the categories "motor vehicle cleaning, maintenance, and repair services; cleaning and repair of clothing; cleaning, maintenance, and repair of other tangible personal property" is replaced with the category of "maintenance." The categories of "entertainment admissions," "lawn care, gardening, and landscaping services," and "household utilities" are deleted. The bill also removes the requirement that the Tax Expenditure Report be presented to a joint hearing of the Appropriations and Revenue Committees.

LB 434 modifies the frequency with which the Nebraska Advantage Act Report and the ImagiNE Nebraska Act Report are required to be presented to a joint hearing of the Appropriations and Revenue Committees. While both reports are still required to be published annually, the Nebraska Advantage Act Report is now required to be presented to the joint committee on or before September 1, 2022 and on or before September 1 in subsequent even numbered years. The ImagiNE Nebraska Act Report will be required to be presented to the joint committee on or before December 15, 2022 and on or before December 1 in subsequent even number years.

LB 434 becomes operative three months after adjournment.

It is estimated that LB 434 will have no impact on the General Fund revenues.

It is estimated that there will be no costs to DOR to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures
Benefits	Benefits.						
Operating Costs	Operating Costs						
Travel	Travel						
Capital Outlay							
Capital Improvements.							
Total							