

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	\$140,810	(\$1,646,000)	\$36,800	(\$1,695,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$140,810	(\$1,646,000)	\$36,800	(\$1,695,000)

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

LB 596 seeks to adopt the Nebraska Higher Blend Tax Credit Act (Act). LB 596 allows for qualifying taxpayers that have sold E-15 or higher blend fuel as a retail dealer at a motor fuel pump located at a retail motor fuel site to receive a refundable income tax credit.

The tax credit provided by the Act is equal to \$0.03 multiplied by the gallons of E-15 sold and \$0.05 multiplied by the gallons of E-25 or higher blend sold. This tax credit would be available to be claimed on or after January 1, 2021.

The Act is to be administered by the Department of Revenue. A taxpayer wishing to claim this credit will have to submit an application on a form created by the department, detailing the number of gallons of each blend of fuel sold, along with other details necessary to assess the application. The Department of Revenue is limited to certifying up to \$2 million in Higher Blend Tax Credit per calendar year.

The deadline for submitting applications for the tax credit is December 31, 2025.

LB 596 becomes operative three months after adjournment.

Revenue:

The Department of Revenue estimates that the tax credit will not be fully subscribed while it is available. Based on data from the Nebraska Department of Environment and Energy and the Nebraska Ethanol Board, DOR estimates the following General Fund revenue impact:

- FY21-22: (\$1,646,000)
- FY22-23: (\$1,695,000)
- FY23-24: (\$1,746,000)
- FY24-25: (\$1,798,000)

There is no basis to disagree with these estimates.

Expenditures:

The Department of Revenue estimates a one-time OCIO charge of \$104,910 for programming. Additionally, a 0.5 FTE Tax Specialist will be needed starting in FY 21-22 to administer the program.

There is no basis to disagree with these estimates.