PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 01, 2022 402-471-0059

LB 730

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2022-23		FY 2023-24			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS	\$235,021		\$34,400	(\$3,795,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$235,021		\$34,400	(\$3,795,000)		

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

LB 730 adopts the Growing Our Workforce Investment Now Act. The act provides a nonrefundable income tax credit, which is available to the employer of qualified apprentices and qualified trainees employed for at least 7 months of the taxable year. The credit amount is \$1,000 per employee and is only available to apprentices and trainees who begin the program after the effective date of the act. "Qualified apprentice" and "qualified trainee" are defined in the act.

The Department of Revenue is authorized to promulgate rules and regulations.

REVENUE:

The department estimates the following impact to the General Fund:

FY2022-23 \$ 0

FY2023-24 \$ (3,795,000)

FY2024-25 \$ (3,909,000)

FY2025-26 \$ (4,026,000)

FY2026-27 \$ (4,147,000)

EXPENDITURES:

The department estimates expenditures of \$196,631 for a one-time OCIO charge in FY22-23 and ongoing expenses for 0.5 FTE Revenue Tax Specialist, costing \$38,400 in FY22-23, and \$34,400 in FY 23-24.

There is no basis to disagree with these estimates.

ADMINIS	TRATIVE SERVICES	STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 730	AM:	AM: AGENCY/POLT. SUB: Department of Revenue			
REVIEWED BY	: Neil Sullivan	DATE: 2/4/2022	PHONE: (402) 471-4179		
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 730.					

LB 730 Fiscal Note 2022

State Agency Estimate							
of Revenue (DOR)				Date Due LFO:			
Date Prepared: 2/4/2022 Phone: 471-589		Phone: 471-5896					
FY 2022-	FY 2022-2023 FY 202		3-2024 FY 2024-		<u>-2025</u>		
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
\$ 235,021	\$ 0	\$ 34,400	\$ (3,795,000)	\$ 35,100	\$ (3,909,000)		
\$ 235,021	\$ 0	\$ 34,400	\$ (3,795,000)	\$ 35,100	\$ (3,909,000)		
	<u>Expenditures</u> \$ 235,021	Date Prepared:	Date Prepared: 2/4/2022 FY 2022-2023 FY 2023 Expenditures Revenue Expenditures \$235,021 \$0 \$34,400	Date Prepared: 2/4/2022 FY 2022-2023 FY 2023-2024	Date Prepared: Date Due LFO: Date Due LFO: Date Prepared: 2/4/2022 Phone: 471-5896		

LB 730 amends Neb. Rev. Stat. sections § 77-2717, § 77-2734.03, and section § 77-2715.07 to adopt the Growing Our Workforce Investment Now Act under which an employer that employs a qualified apprentice or qualified trainee for at least seven months of the taxable year is granted a nonrefundable credit against their income tax.

The credit is equal to one thousand dollars for each qualified apprentice or qualified trainee employed by the employer. The credit is not allowed to be claimed for the same qualified apprentice or qualified trainee for more than four taxable years. This credit applies to qualified apprentices and qualified trainees who begin their apprenticeship or occupational skills training program on or after the effective date of this act which is three months following adjournment.

DOR projects the bill will have the following fiscal impact:

FY2022-23	\$ -	
FY2023-24	\$ (3,795,000)
FY2024-25	\$ (3,909,000)
FY2025-26	\$ (4,026,000)
FY2026-27	\$ (4,147,000))

LB 730 would require a one-time programming charge of \$196,631 paid to the OCIO for mainframe, web development changes, and to development an online application for the employer. DOR will also require 0.5 FTE Revenue Tax Specialist.

Major Objects of Expenditure							
Class Code	Classification Title	22-23 <u>FTE</u> 0.5	23-24 <u>FTE</u> 0.5	24-25 <u>FTE</u> 0.5	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures
A29621	Revenue Tax Specialist	0.5	0.5	0.5	\$25,000	\$26,000	\$26,500
Benefits					\$8,400	\$8,400	\$8,600
Operating Costs					\$196,621		
							_
Capital Outlay					\$5,000		
	ents						
7D 4 1					\$235,021	\$34,400	\$35,100