PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 9, 2023 402-471-0051

**LB 809** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	23-24	FY 2024-25			
	EXPENDITURES REVENUE		EXPENDITURES	REVENUE		
GENERAL FUNDS	\$35,800	(\$4,500,000)	\$32,300	(\$6,750,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$35,800	(\$4,500,000)	\$32,300	(\$6,750,000)		

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

LB 809 changes the maximum amount of refundable tax credits that can be approved to \$10 million from \$1 million under the Nebraska Advantage Rural Development Act starting in calendar year 2023 and after.

The Department of Revenue (DOR) estimates the following reduction in General Fund revenue from the bill:

- FY 23-24: \$4,500,000
- FY 24-25: \$6,750,000
- FY 25-26: \$7,650,000
- FY 26-27: \$9,000,000

Additionally, the DOR estimates the need to hire 0.5 FTE Fiscal Compliance Analyst to handle audits.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 809	AM:	AGENCY/POLT. SUB: Depart	AGENCY/POLT. SUB: Department of Revenue		
REVIEWED B	BY: Neil Sullivan	DATE: 2/8/2023	PHONE: (402) 471-4179		
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 809 appears reasonable.					

LB 0809 Fiscal Note 2023

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFO:	
Approved by: Glen White		Date Prepared:	02/07/2023		Phone: 471-5896	
	FY 2023-	FY 2023-2024		<u>-2025</u>	FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$35,800	(\$4,500,000)	\$32,300	(\$6,750,000)	\$33,100	(\$7,650,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$35,800	(\$4,500,000)	\$32,300	(\$6,750,000)	\$33,100	(\$7,650,000)

LB 809 increases the L1L2 annual cap under the Nebraska Advantage Rural Development Act from \$1 million to \$10 million for calendar years 2023 and each calendar year thereafter.

The Department of Revenue (DOR) estimates the following reduction in General Fund revenue:

FY 2023-24	\$ 4,500,000
FY 2024-25	\$ 6,750,000
FY 2025-26	\$ 7,650,000
FY 2026-27	\$ 9,000,000

LB 809 will require the hiring of an additional Fiscal Compliance Analyst at 0.5 FTE to handle the review of additional audits.

LB 809 becomes operative three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
A21211	Fiscal Compliance Analyst	0.5	0.5	0.5	\$23,200	\$24,300	\$24,900
Benefits			\$7,600	\$8,000	\$8,200		
Operating Costs							
Capital Outlay				\$5,000			
	ents						
Total					\$35,800	\$32,300	\$33,100