

PREPARED BY: Scott Danigole
 DATE PREPARED: January 28, 2025
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LB 315

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$10,000,000)		(\$400,000)
CASH FUNDS	(\$120,000)			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$120,000)	(\$10,000,000)		(\$400,000)

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

LB 315 changes certain reporting requirements for corporations.

The bill removes the biennial reporting requirement for domestic corporations and foreign corporations beginning January 1, 2026. The report and occupation tax shall be received in even-numbered years.

The Secretary of State estimates removal of biennial reporting and occupation tax collection will reduce general fund revenues by \$10,000,000 in even-numbered fiscal years and \$400,000 in odd-numbered fiscal years. In addition, a reduction of \$120,000 in cash fund expenditures is estimated. The odd-number year revenue loss is attributable to corporate reinstatements.

These estimates appear to be reasonable.

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2025

LB⁽¹⁾ 315

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 1-22-2025 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		<u>(\$10,000,000)</u>		<u>(\$400,000)</u>
CASH FUNDS	<u>(\$120,000)</u>			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><u>(\$120,000)</u></u>	<u><u>(\$10,000,000)</u></u>	<u><u></u></u>	<u><u>(\$400,000)</u></u>

Explanation of Estimate:

LB315 proposes to sunset the filing of biennial reports and the payment of occupation taxes for corporations starting in FY2026. 100% of the revenue generated by this filing goes to the General Fund, so we estimate a revenue loss of \$10 million in even fiscal years, which is the normal filing year. In the odd fiscal years, we estimate a \$400,000 revenue loss, which would primarily be due to corporate reinstatements.

In addition to the revenue loss, we expect that there will be some reduction of expenditures. For example, we will not need to send out the filing notices to all corporate entities, which would save approximately \$100,000 in printing and postage costs biennially. We also anticipate a reduction in temporary staffing utilized to process the reports which is expected to save \$20,000 biennially.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			<u>(120,000)</u>	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u><u>(120,000)</u></u>	