

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
	FY2025-2026	0	0	0	0
FY2026-2027		0	0	0	0
FY2027-2028		0	0	0	0
FY2028-2029		0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
	FY2025-2026	0	0	0	0
FY2026-2027		0	0	0	0
FY2027-2028		0	0	0	0
FY2028-2029		0	0	0	0

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

LB954 seeks to amend a provision of the Nebraska Advantage Act to change the method for counting base-year employment for Tier 6 Nebraska Advantage projects if a portion of the qualifying business operation is sold. If an applicant for a Tier 6 Nebraska Advantage project has met the required investment and employment levels and subsequently sells a portion of the business operation to an unrelated party, the number of base-year employees would be adjusted by subtracting the number of full-time equivalent employees employed at the sold business location. This would allow affected projects to either avoid recapture, or amending their agreement to a lower-benefit Nebraska Advantage tier.

The adjustment of base-year employment would not occur if the business that bought part of the Tier 6 project ceased operations within 24 months of the date of the sale, or if that business closed another location. The provisions of LB954 would only apply to Nebraska Advantage agreements signed after December 31, 2016.

The Department of Revenue (DOR) estimates that LB954 will not have an “immediate impact” on General Fund revenues through FY2028-29. However, DOR believes that over the lifetime of projects that may be affected by LB954, General Fund Revenues would be reduced by \$20 million.

DOR estimates minimal costs to DOR to implement the provisions of LB954.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 954	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Yang	DATE: 1/28/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Department of Revenue assessment of future fiscal impact from LB 954.		

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:			
Approved by: James R. Kamm	Date Prepared: 01/27/2026	Phone: 471-5896			
	FY 2026-2027	FY 2027-2028	FY 2028-2029		
	Expenditures	Revenue	Expenditures		
General Funds		\$ 0			\$ 0
Cash Funds					
Federal Funds					
Other Funds					
Total Funds		\$ 0		\$ 0	

LB 954 provides that a taxpayer with a Tier 6 Nebraska Advantage Act agreement who sells a portion of the project, will have the base-year adjusted to remove the FTE's employed at the sold location. This does not apply if the business operations sold cease operations in the 24 months after the date of the sale or the primary business purpose of the sale was to close a location. This only applies to agreements entered into after December 31, 2016.

It is estimated that LB 954 will have no immediate fiscal impact on General Fund revenues. However, LB 954 allows taxpayers currently in Tiers 6 who would otherwise face credit recapture due to not meeting employment thresholds, or who could amend to a lower-benefit tier under Nebraska Advantage Act, to remain in Tier 6 without recapture or amending to a lower-benefit tier. The Department of Revenue (DOR) estimates that the reduction to the General Fund revenues over the lifetime of the affected projects would be approximately \$20 million.

It is estimated that there will be minimal costs for the DOR to implement LB 954.

Major Objects of Expenditure

Class Code	Classification Title	26-27	27-28	28-29	26-27	27-28	28-29
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							