

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

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

LB1191 would amend provisions of the Nebraska Advantage Act relating to the attainment period for Tier 6 projects. The bill would amend Neb Rev. Stat. sections 77-5723 and 77-5735 to lengthen the attainment period—the time from the signing of the agreement until the required employment and investment thresholds are met—from seven to ten years in certain cases. Eligible taxpayers would be those with an active Tier 6 Nebraska Advantage agreement signed on or after 12/31/2020, make an election with the Department of Revenue (DOR) and pay a \$90,000 fee to have the agreement amended.

Because the extension of the attainment period outlined in LB1191 lies within the original seven-year attainment period for Tier 6 projects, the time extension would have no impact General Fund revenues in the current biennium. DOR estimates that the provisions of LB1191 would have no immediate impact on General Fund revenues; however, the department estimates that General Fund revenues would be reduced by approximately \$55 million over the life of the affected projects. DOR estimates minimal costs to implement the provisions of LB1131.

There is no basis to disagree with DOR's estimates of General Fund impacts or administration costs. The fee paid is remitted to the Nebraska Incentives Fund, which may receive additional cash fund revenue.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                   |                |                   |                       |
|---|----------------|-------------------|-----------------------|
| LB: 1191  | AM:            | AGENCY/POLT. SUB: | Department of Revenue |
| REVIEWED BY: Ryan Yang  | DATE: 2/4/2025 |                   | PHONE: (402) 471-4178 |
| COMMENTS: The Department of Revenue assessment of future fiscal impact from LB 1191 appears reasonable. |                |                   |                       |

## State Agency Estimate

| State Agency Name: Department of Revenue |                           | Date Due LFO:   |              |
|--|---------------------------|-----------------|--------------|
| Approved by: James R. Kamm               | Date Prepared: 02/03/2026 | Phone: 471-5896 |              |
|  | FY 2026-2027              | FY 2027-2028    | FY 2028-2029 |
|  | Expenditures              | Revenue         | Expenditures |
| General Funds                            |                           | \$ 0            |              |
| Cash Funds                               |                           |                 |              |
| Federal Funds                            |                           |                 |              |
| Other Funds                              |                           |                 |              |
| Total Funds                              |                           | \$ 0            |              |
|  |                           |                 | \$ 0         |

LB 1191 amends the Nebraska Advantage Act to extend the attainment period for certain Tier 6 projects. A taxpayer with an agreement for a Tier 6 project with an application date of 12/1/2020 or later may make a one-time election to extend the attainment period from 7 years to 10 years.

The agreement for the Tier 6 project must still be active as of the effective date of the bill, the election must be made within the time period prescribed by the Tax Commissioner, and the taxpayer must pay a \$90,000 fee. If the election is not made, not made timely, or does not include the payment, the 7-year attainment period applies to the agreement.

It is estimated that LB 1191 will have no immediate fiscal impact on General Fund revenues. However, LB 1191 allows taxpayers currently in Tiers 6 who would otherwise not qualify for benefit, to remain in Tier 6 due to the extension of the attainment period. The Department of Revenue (DOR) estimates that the reduction to the General Fund revenues over the lifetime of the affected projects would be approximately \$55 million.

It is estimated that there will be minimal costs for the DOR to implement LB 1191

## 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..... |                      |       |       |       |              |              |              |
| <b>Total.....</b>         |                      |       |       |       |              |              |              |