

PREPARED BY: Doug Gibbs  
 DATE PREPARED: January 31, 2009  
 PHONE: 471-0051

**LB 117**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$84,000	(\$13,517,000)	\$0	(\$14,355,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$84,000	(\$13,517,000)	\$0	(\$14,355,000)

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 117 would provide a refundable income tax credit for a retail business equal to 2% of the net taxable sales reported on their sales tax returns during the taxable year. The maximum amount of the credit would be limited to \$10,000 for a tax year.

To be eligible for the credit, the retailer must be inside the city limits of a city or village with a population of 2,500 or fewer inhabitants; have net taxable sales of \$500,000 or less; and be engaged in the selling of property to consumers. The operative date for this bill is January 1, 2009.

The Department of Revenue estimates the following fiscal impact of LB 117 on revenue:

	<u>FY2009-10:</u>	<u>FY2010-11:</u>	<u>FY2011-12:</u>	<u>FY2012-13:</u>
Corporate Income tax:	(\$ 3,434,000)	(\$ 3,647,000)	(\$ 3,823,000)	(\$ 3,942,000)
Individual Income Tax:	(\$10,083,000)	(\$10,708,000)	(\$11,226,000)	(\$11,575,000)
Total:	(\$13,517,000)	(\$14,355,000)	(\$15,049,000)	(\$15,517,000)

The Department estimates a one-time cost for computer programming of \$84,000.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

**IMPACT TO POLITICAL SUBDIVISIONS:**

There appears to be no material fiscal impact to political subdivisions associated with this bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/4/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: No basis upon which to disagree.					