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LB 555

Revision: 01

Revised due to adoption of amendment on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0	(\$186,000)	\$0	(\$549,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	(\$186,000)	\$0	(\$549,000)

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

LB 555, as amended by AM 367, would add a new tax credit under the Nebraska Advantage Research and Development Act. The new credit would be 35% of the federal credit available to businesses that make expenditures in research and experimental activities, on a campus or at a facility owned by a public or private college or university in Nebraska. The credit is available in the initial year it is claimed and the four tax years following. The act becomes operative for taxable years beginning on or after January 1, 2009.

The estimate of fiscal impact to the General Fund is as follows:

FY2009-10: (\$ 186,000)
 FY2010-11: (\$ 549,000)
 FY2011-12: (\$ 916,000)
 FY2012-13: (\$1,300,000)

The Department of Revenue estimates the cost to implement LB 555, as amended, will be minimal.

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

TECHNICAL NOTE: Under current statute, no business firm shall be allowed to first claim the credit for any tax year beginning or deemed to begin on or after January 1, 2011, under the Internal Revenue Code of 1986, as amended. However, LB 164 (Cornett), as amended by AM 234, would extend that date to December 31, 2015.

IMPACT TO POLITICAL SUBDIVISIONS:

There is no fiscal impact to political subdivisions associated with this bill.