

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 06, 2009  
 PHONE: 471-0051

**LB 419**

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	\$48,100	\$0	\$45,100	(\$3,200,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$48,100	\$0	\$45,100	(\$3,200,000)

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

LB 419 amends the Nebraska Advantage Microenterprise Tax Credit Act to remove the cap on tax credits that may be granted in a calendar year; the current cap is set at \$2 million. The change would apply to all taxable years beginning on or after January 1, 2009.

The bill also eliminates the December 31, 2010 sunset date.

The Department of Revenue estimates the following fiscal impact to the General Fund:

FY2009-10: (\$ 0)  
 FY2010-11: (\$3,200,000)  
 FY2011-12: (\$4,600,000)  
 FY2012-13: (\$7,200,000)

Beginning with FY2014-15, the impact should lessen each year from the maximum \$9.3 million total credits.

The Department also estimates that the increased costs to administer the program would be as follows:

FY2009-10: \$48,100  
 FY2010-11: \$45,100  
 FY2011-12: \$46,200  
 FY2012-13: \$47,400

The above estimate of costs to administer includes 1 FTE for a Fiscal Compliance Analyst; salary, benefits and some initial capital outlay.

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

**IMPACT TO POLITICAL SUBDIVISIONS:**

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/10/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF ECONOMIC DEVELOPMENT: Concur. No fiscal impact to the Department of Economic Development.					