

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 22, 2010  
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**LB 981**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * |              |         |              |         |
|--|--------------|---------|--------------|---------|
|  | FY 2010-11   |         | FY 2011-12   |         |
|  | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS                                |              |         |              |         |
| CASH FUNDS                                   |              |         |              |         |
| FEDERAL FUNDS                                |              |         |              |         |
| OTHER FUNDS                                  |              |         |              |         |
| TOTAL FUNDS                                  |              |         |              |         |

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

LB 981 amends Nebraska Revised Statute Section 77-382 dealing with the tax expenditure report.

The bill proposes to create a panel, appointed by the Executive Board of the Legislative Council, to review the draft of the tax expenditure report prepared by the Department of Revenue and to make recommendations regarding tax exemptions and tax expenditures which are then to be included in the report.

The panel is to consist of three members, including one public member and two members of the Legislature. Members of the panel are eligible for reimbursement of actual and necessary expenses.

We believe the panel, because it is appointed by the Executive Board of the Legislative Council, would operate under the auspices of the Executive Board and, therefore, the panel member's expenses would be paid from the Legislative Council budget. Because the expenses for state senators is already included in the Legislative Council's budget only the public member's necessary and actual expenses would be included and would result in an increase in expenditures. Because it is unknown how often or what length the panel will meet or from where the public member would be appointed, we are unable to determine the level of expenses for the public member.

The Department of Revenue indicates LB 981 will have no fiscal impact to the Department and costs to include the panel's recommendations in the published report will be minimal.

The next tax expenditure report is due October 15, 2010.

DEPARTMENT OF ADMINISTRATIVE SERVICES

|   |            |      |         |       |          |
|---|------------|------|---------|-------|----------|
| REVIEWED BY   | Lyn Heaton | DATE | 2/23/10 | PHONE | 471-2526 |
| COMMENTS  |            |      |         |       |          |
| DEPARTMENT OF REVENUE: It is difficult to estimate the impact of implementing any of the panel's recommendations within the report without knowing exactly what they will be. |            |      |         |       |          |