PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs April 08, 2013 402-471-0051

LB 613

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to adoption of amendments on General File

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2013-14		FY 2014-15			
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FLINIDS						

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

LB 613, as amended on General File, creates the Tax Modernization Commission and provides duties for that Commission.

The purpose of the Commission is to review and study Nebraska's tax laws.

The Commission is to: meet as often as necessary, with at least one meeting held concurrently with a meeting of the Legislative Council; examine previous studies of the state's tax laws; and engage the public in a variety of ways. They may also request information from any state agency or political subdivision that is relevant to the Commission's work.

When considering the state's tax system the Commission is to consider six elements: a) Fairness; b) Competitiveness; c) Simplicity and Compliance; d) Stability; e) Adequacy; and f) Complementary tax systems.

The Commission is to be chaired by the chairperson of the Revenue Committee and shall be comprised of the members of the Revenue Committee and the chairpersons of the following legislative committees: Appropriations, Health and Human Services, Education, Agriculture, and Planning.

The Commission is to issue a report to the Executive Board of the Legislature and the Governor by December 15, 2013. The report is to contain any recommendations to update state, county, and local tax policies and corresponding proposed language for legislation.

There is no fiscal impact to the General Fund as a result of LB 613 as amended on General File.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 613	AM:	AGENCY/PO	AGENCY/POLT. SUB: Dept. of Revenue				
REVIEWED BY: Lyn Heaton			DATE: 2/14/2013	PHONE: 402.471.4181			
COMMENTS: LB 613 does not establish any specific new duties and responsibilities for the Dept. of Revenue that go							
beyond their current research capabilities. Though it is not unreasonable to expect that the staff time devoted to this							
commission could limit or delay other research assignments. Concur with the department's analysis of minimal fiscal impact							

State Agency Estimate							
State Agency Name: Department of	of Revenue				Date Due LFA:	1/31/13	
Approved by: Douglas Ewald		Date Prepared:	2/12/13		Phone: 471-5896		
FY 2013-2014		<u>3-2014</u>	FY 2014-2015		FY 2015-2016		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0		\$0		\$0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		\$0		\$0	

LB 613 establishes the Tax Modernization Commission (commission) to provide recommendations to the Legislature and Governor to modernize state and local tax policy by considering specified elements of tax modernization, examining prior tax studies, and soliciting public comments via state-wide public hearings, online questionnaires and other Internet-based solutions, and a tax summit.

The Tax Commissioner and Property Tax Administrator will serve as ex-officio members of the commission. The Department of Revenue employees will also be available to the Tax Modernization Commission to assist the commission in carrying out its duties. The Department must fulfill requests for information from the commission within 30 days of the request.

The commission will issue preliminary findings and recommendations to the Executive Board, Revenue Committee, and Governor by December 15, 2013. The commission will issue its final report by November 15, 2014; the final report must contain recommendations to modernize state and local tax policy, propose language for legislation, and other areas of concern that require additional analysis and study.

There is no revenue impact associated with this bill.

It is estimated that Departmental cost to implement this bill is minimal.

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures
Operating Costs							
Capital Outlay							
Total							