

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,847	(\$1,041,000)		(\$2,185,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$4,847	(\$1,041,000)		(\$2,185,000)

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

LB 180 seeks to establish the Nebraska Biodiesel Tax Credit Act (Act). A taxpayer who is a retail dealer and who sold and dispensed biodiesel on a retail basis during the prior calendar year through a motor fuel pump located at the taxpayer’s retail motor fuel site would be eligible to receive tax credits under the Act. The refundable tax credit would be in an amount equal to \$0.14 multiplied by the total number of gallons of biodiesel sold by the taxpayer on a retail basis during the prior calendar year through a motor fuel pump located at the taxpayer’s retail motor fuel site. The tax credit could be used against any income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to sections 77-907 to 77-918 or 77-3801 to 77-3807.

The tax credits under this Act could be claimed for taxable years beginning or deemed to begin on or after January 1, 2024. To receive the tax credits, the taxpayer would need to submit an application to the Department of Revenue (DOR). The DOR could approve up to \$5 million in tax credits in any calendar year. No new applications could be filed under the Act after December 31, 2028.

The DOR estimates the following reduction in General Fund revenues from this bill:

- FY 23-24: \$1,041,000
- FY 24-25: \$2,185,000
- FY 25-26: \$2,294,000

DOR also estimates a one-time cost of \$4,847 to modify the MeF system as a result of this bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 180	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/24/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 180 appears reasonable.		

DOR estimates that there will be one-time costs of \$4,847 to modify the Business MeF.

LB 180 will become operative three months after adjournment.