PREPARED BY: Doug Gibbs
DATE PREPARED: March 13, 2017
PHONE: 402-471-0051

LB 592

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 592 amends the Nebraska Advantage Act, Nebraska Revised Statutes Sections 77-5725 and 77-5726.

The Act is amended to provide that for applications filed after January 1, 2018, refunds of local sales and use taxes paid to municipalities or counties will no longer be available as an incentive under the Act.

The Department of Revenue estimates no fiscal impact to the General Fund.

The Department of Revenue indicates minimal cost to implement the provisions of LB 592.

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

IMPACT TO POLITICAL SUBDIVISIONS:

According to information from the Performance Audit Committee, local sales tax refunds amounted to a total of $14.5 million between 2008 and 2014. For the majority of cities experiencing a loss of revenue due to refunds under the Act, the total loss amounted to less than $5,000 each. Because LB 592 would apply only to applications filed and approved after January 1, 2018 and the Advantage Act sunsets December 31, 2020, the revenue increase to most cities from no longer being required to refund local sales and use tax will be minimal. However, for a small number of cities a larger but indeterminate increase in revenue will occur.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE	
LB: 592 AM: AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lyn Heaton DATE: 3/14/2017 PHONE: (402) 471-4181	
COMMENTS: The Dept. of Revenue's analysis appears reasonable.	

LB 592   Fiscal Note   2017

State Agency Estimate

State Agency Name: Department of Revenue | Date Due LFA: 3/14/2017
Approved by: Tony Fulton | Date Prepared: 3/13/2017 | Phone: 471-5896

	FY 2017-2018		FY 2018-2019		FY 2019-2020	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		$0		$0		$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		$0		$0		$0

LB 592 amends the Nebraska Advantage Act so that applications filed on or after January 1, 2018 will not receive direct or credit refunds for local sales and use taxes paid to municipalities or counties.

LB 592 is estimated to have no impact to General Fund revenues.

LB 592 has an operative date of three months after adjournment.

It is estimated that there will be minimal cost for the Department to implement LB 592.

Major Objects of Expenditure

Class Code	Classification Title	17-18 FTE	18-19 FTE	19-20 FTE	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures
Benefits…………………………………………………………							
Operating Costs…………………………………………………							
Travel……………………………………………………………							
Capital Outlay…………………………………………………..							
Aid………………………………………………………………							
Capital Improvements……………………………………………..							
Total…………………………………………………………							