

PREPARED BY: Scott Danigole  
 DATE PREPARED: March 09, 2017  
 PHONE: 471-0055

**LB 594**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		12,000		
CASH FUNDS	5,322	6,000		
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>5,322</b>	<b>18,000</b>		

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

LB 594 requires a limited liability company that seeks a tax benefit under a tax credit, tax abatement, or tax incentive plan to file an amended certificate of organization prior to applying for such tax benefits.

The Secretary of State estimates that approximately 600 to 1,200 LLCs would need to file such amendments. Assuming 1,200 such filings are received, this will result in increased General Fund revenue of \$12,000 and increased Corporations Cash Fund revenue of \$6,000. The Secretary of State would need to add one temporary staff person for two months at a total cost of \$5,322. This estimate appears to be reasonable.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 594	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lyn Heaton	DATE: 3/9/2017	PHONE: <a href="tel:4024714181">(402) 471-4181</a>	
COMMENTS: Concur. No fiscal impact on the Dept. of Revenue.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 594	AM:	AGENCY/POLT. SUB: Secretary of State's Office	
REVIEWED BY: Lyn Heaton	DATE: 3/6/2017	PHONE: <a href="tel:4024714181">(402) 471-4181</a>	
COMMENTS: It is reasonable to assume that the Secretary of State's Office will incur some additional cost to process the amended certificates, which will also involve the associated filing fee revenue.			



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**2017**

**LB<sup>(1)</sup> 594**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Secretary of State's Office

Prepared by: <sup>(3)</sup> Joyce Woofter Date Prepared: <sup>(4)</sup> 1/26/17 Phone: <sup>(5)</sup> 402-471-2384

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		12,000		
CASH FUNDS	5,322	6,000		
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>5,322</b>	<b>18,000</b>		

**Explanation of Estimate:**

LB 594 requires limited liability companies (LLC) seeking tax benefits to file an amended certificate of organization that includes the names of members of the LLC. Currently, LLC's do not have to include the names of members in their filings. We estimate approximately 600-1,200 LLC's would need to file the amended form with us to receive tax benefits. Additional revenue is calculated based on an estimated 1,200 additional filings @ \$15 per filing for fiscal year 2017-18. The revenue would be deposited 2/3 to the General Fund and 1/3 to the Corporation Cash Fund. Only changes in membership would need to be filed after the first year, which we believe would be insignificant to future revenue.

To process these additional filings in timely manner, we would need to add one temporary staff person for a period of 2 months (\$5,200). There would be software licensing fees of \$61 per month for this temporary staff person.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Business Services Clerk	1	1		
Benefits.....				
Operating.....			5,322	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>5,322</b>	