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LB 50

Revision: 01

Revised per Additional Review

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

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

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 50 changes the distribution of the nameplate capacity tax.

Under the bill, the county treasurer shall distribute the nameplate capacity tax revenue received from the Department of Revenue (DOR) as follows:

- 5% of such revenue shall be distributed to the community college area in which the renewable energy generation facility is located; and
- The remainder of such revenue shall be distributed to local taxing entities which, but for such personal property tax exemption, would have received distribution of personal property tax revenue from depreciable personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source.

The DOR estimated in its previous fiscal note response no impact to General Fund revenues and minimal costs to it as a result of the bill. There is no basis to disagree with this estimate.

This bill decreases the nameplate capacity tax going to school districts and, thus, the amount of “Other Actual Receipts” used to calculate TEEOSA. This is estimated to result in increased General Fund expenditures of an indeterminate amount connected to TEEOSA as a result of the bill.

The Nebraska Community College Association estimated in its previous fiscal note response an increase in revenues to community colleges as a result of the bill based on 2023 nameplate capacity tax data, which results in $569,944 per year to community colleges. Under the bill, community colleges would continue to get nameplate capacity tax from the remainder of the nameplate capacity tax revenue sent to the county after the first 5% sent to community colleges based on the levy of the community college.

Political subdivisions are estimated to have decreased revenue as a result of the bill. This decrease in revenue would occur when 5% of nameplate capacity revenue is first distributed to community college areas. After the 5% reduction, the remainder of the revenue is calculated based on the amount of taxes that the eligible local taxing entity levied during the taxable year and dividing this amount by the total tax levied by all of the eligible local taxing entities during the year. The resulting fraction for each eligible entity is then multiplied by the amount of remaining revenue available for distribution to determine the portion of revenue due to each local taxing entity.