PREPARED BY: DATE PREPARED: PHONE: Jeanne Glenn February 19, 2013 402-471-0056

LB 475

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2013-14					
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE			
GENERAL FUNDS		2,000,000		1,000,000		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		2,000,000		1,000,000		

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

LB 475 would amend sections of the Angel Investment Tax Credit Act and the Business Innovation Act. LB 475 would eliminate the eligibility of pass-through entities to receive tax credits under the Angel Investment Tax Credit Act. The Department of Revenue estimates that the elimination of pass-through entities could result in fewer income tax credits claimed in the near term. There is no basis to disagree with the Department of Revenue estimate that a General Fund revenue savings of \$2,000,000 would occur in FY13-14 and a \$1,000,000 General Fund revenue savings would occur in FY14-15. It is estimated that in FY15-16 and FY16-17 there would be no revenue savings as a result of eliminating the eligibility of pass-through entities.

LB 475 also revises program definitions, matching fund requirements and maximum grant amounts under the Business Innovation Act. It is estimated that the revisions would not impact existing funding levels.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 475 AM: AGENCY/POLT. SUB: Dept. of Economic Development						
REVIEWED BY: Gary Bush			DATE: January 25, 2013	PHONE: 471-4161		
COMMENTS: Concur.						

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 475 AM: AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Gary Bush DATE: February 19, 2013 PHONE: 471-4161				PHONE: 471-4161	
COMMENTS: The Dept. of Revenue's estimate of impact to the general fund revenue appears to be reasonable.					

Aid.....

Capital improvements.....

TOTAL.....

LB ⁽¹⁾ 475 FISCA	NOTE						
State Agency OR Political Su		Economic Development					
Prepared by: (3) Gary H	amer	Date Prepared: ⁽⁴⁾	January 24, 2013 Pho	one: (5) 1-4388			
ES	STIMATE PROVIDE	ED BY STATE AGEN	CY OR POLITICAL SUBD	IVISION			
FY 2013-14 FY 2014-15 EXPENDITURES REVENUE EXPENDITURES REVENUE							
GENERAL FUNDS	EXILENDITURES	REVERVEE	<u>EM ENDITORES</u>	<u>REVERTOR</u>			
CASH FUNDS							
FEDERAL FUNDS			_				
OTHER FUNDS			_				
TOTAL FUNDS			_				
Return by date specified or 75 Explanation of Estimate: No Fiscal Impact	<u>2 hours prior to public</u>	<u>hearing, whichever is ea</u>	<u>rlier.</u>				
LB 475 provides clarification implement the Angel Inv			ment of Economic Develors Innovation Act.	opment administratively			
D 10 1	MAJOR	OBJECTS OF EXPE	NDITURE				
Personal Services: POSITION TIT		MBER OF POSITION 13-14 14-15	IS 2013-14 EXPENDITURES	2014-15 EXPENDITURES			
Benefits							
Operating							
Travel							
Capital outlay							

State Agency Estimate							
of Revenue				Date Due LFA:			
	Date Prepared:	02/05/2013	02/05/2013 Phone: 471-5896				
FY 2013-20		14 FY 2014-2015		FY 2015-2016			
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
	\$2,000,000		\$1,000,000		\$0		
	\$2,000,000		\$1,000,000		\$0		
	FY 2013	Date Prepared:	Date Prepared: 02/05/2013 FY 2013-2014 FY 2014 Expenditures Revenue Expenditures \$2,000,000	Date Prepared: 02/05/2013	Date Due LFA: Date Prepared: 02/05/2013 Phone: 471-5896 FY 2013-2014 FY 2014-2015 FY 2018 Expenditures Revenue Expenditures Revenue Expenditures \$2,000,000 \$1,000,000 Compared to the prepared of the pre		

LB 475 amends the Angel Investment Tax Credit Act to clarify certain aspects of the Act, eliminate eligibility of pass-through entities for tax credits, establish notice requirements for qualified investors, establish penalties for noncompliance with annual reporting requirements, and provide that certain information may be confidential. The bill would also amend the Business Innovation Act to clarify certain provisions, increase the maximum funding for several programs, and provide that certain information may be confidential.

The exclusion of pass-through entities from utilizing credits under the Angel Investment Tax Credit Act will result in a lower number of eligible taxpayers qualifying for the Act. Based on that assumption, it is estimated that LB 475 will have a positive impact to the General Fund as follows:

FY 2013-2014	\$ 2,000,000
FY 2014-2015	\$ 1,000,000
FY 2015-2016	\$ -
FY 2016-2017	\$ _

It is estimated that there will be no costs to the Department to implement this bill.

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
Benefits				<u> </u>			
Operating Costs							
Capital Outlay							
Aid							