PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 02, 2017 402-471-0051

**LB 528** 

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 528 amends the New Markets Job Growth Investment Act.

Section 58-210.02 amends the definition of economic-impact project to include the state tax credit authorized in the New Markets Job Growth Investment Act.

Section 77-1108 is amended regarding the definition of a qualified active low-income community business that changes the exclusion regarding a business that derives 15% or more of its annual revenue from the rental or sale of real estate.

Section 77-1109 amends the definition of a qualified community development entity to remove language referring to the allocation agreement with the U.S. Department of the Treasury.

Section 77-1116 is amended to remove language referring to a copy of the allocation agreement being included with the application form and the certificate attesting to an allocation agreement.

As a result of these changes, LB 528 would now allow a qualified low-income community business to be financed through only the state tax credit without a federal tax credit and removes the requirement for a community development entity to have a federal allocation agreement in effect.

The bill contains the emergency clause.

The Department of Revenue estimates no fiscal impact to the General Fund as a result of the provisions of LB 528.

The Department of Revenue indicates a minimal cost to implement the provisions of LB 528.

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

	ADMINSTRATA	VE SERVICE STATE BUDGET DIVISION: F	REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 528	.B: 528 AM: AGENCY/POLT. SUB: Department of Revenue				
REVIEWED BY: Gary Bush		DATE: 3/1/17	PHONE: (402) 471-4161		
COMMENTS: No basis to disagree with the estimate provided by the agency.					

LB 528 Fiscal Note 2017

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFA: 3/1/2017						3/1/2017	
Approved by: Tony Fulton		Date Prepared:	2/28/2017		Phone: 471-5896		
	FY 2017-2018		FY 2018-2019		FY 2019-2020		
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	Expenditures	Revenue	
General Funds							
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							
		<u> </u>					

LB 528 amends the New Markets Job Growth Investment Act to (1) allow a qualified active low-income community business (QALICB) to be financed through the state tax credit without a federal tax credit; (2) modify the exclusion of QALICBs that derive 15 percent or more of their revenue from the rental or sale of real estate to allow the financing if the QALICB is controlled by another business that does not derive more than 15% of its revenue from the rental of sale of real estate regardless of whether or not the controlling business is the primary tenant; and (3) remove the requirement for a community development entity to have a federal allocation agreement in effect.

This bill contains an emergency clause and becomes law upon enactment.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures
Benefits	Benefits.						
Operating Costs.							
Travel							
Capital Outlay							
Aid.							
Capital Improvements.							
Total							