PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 18, 2020 402-471-0059

LB 1045

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 202	0-21	FY 2021-22					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS	\$41,600		\$72,000					
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	\$41,600		\$72,000					

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

LB 1045 amends the Taxpayer Transparency Act to require reporting of specific information regarding tax incentive programs. The Department of Revenue must compile and submit certain information relating to each taxpayer receiving a tax incentive under a tax incentive program to the State Treasurer by March 1 annually and issue a report on or before July 15, 2021, and each year thereafter. The department, on or before September 1, 2021, and each year thereafter, must appear at a joint hearing of the Appropriations Committee and Revenue Committee to present the report.

The bill provides the information must be reported notwithstanding any confidentiality requirements.

Revenue:

The department estimates no impact to General Fund revenue.

Expenditures:

The department estimates operating costs for 1.0 FTE tax specialist, beginning January 2021, and 0.5 FTE auditor, beginning July 2021, for a total cost of \$41,600 in FY 20-21 and \$106,400 in FY 21-22. We disagree that the 0.5 FTE auditor is necessary to implement the bill, and as a result, we estimate the total cost to be \$41,600 in FY 20-21 and \$72,000 in FY 22-23.

The State Treasurer estimates no additional costs to implement the bill because it would only require a link to the department's report on the Taxpayer Transparency website. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 1045	AM:	AGENCY/POLT. SUB: State Treasurer					
REVIEWED BY:	Lee Will	DATE: 02/17/2020	PHONE: (402) 471-4175				
COMMENTS: No basis to disagree with the State Treasurer's assessment of no fiscal impact.							

LB 1045 Fiscal Note 2020

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFA:	
Approved by: Tony Fulton		Date Prepared:	2/13/2020 Phone: 471-5896			
	FY 2020-	FY 2020-2021		-2022	FY 2022-2023	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$41,600		\$106,400		\$103,600	
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$41,600		\$106,400		\$103,600	

LB 1045 amends the Taxpayer Transparency Act (Act) to require the disclosure of specific information about tax incentive payments on the State Treasurer's website. The bill also makes changes to confidentiality provisions to permit the additional disclosures.

The Department of Revenue (Department) will provide information specified in LB 1045 to be published on the website of the State Treasurer annually each March 1. The new disclosures are made for tax incentives earned under agreements signed on or after the effective date of the Act. If no agreement is signed under the program, the data is reported with respect to taxpayers who start earning tax incentives on or after the effective date of the act.

The Department will issue a report based on these disclosures on or before July 15, 2021 and each following year. The Department will also present the report at a joint hearing before the Appropriations and Revenue Committees on or before September 1, 2021 and each following year.

LB 1045 will require 1.0 FTE tax specialist beginning January 2021 and 0.5 FTE auditor beginning in July 2021.

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

Major Objects of Expenditure									
		20-21	21-22	22-23	20-21	21-22	22-23		
Class Code	Classification Title	FTE	FTE	FTE	Expenditures	Expenditures	Expenditures		
A29621	Revenue Tax Specialist	0.5	1.0	1.0	\$27,500	\$54,100	\$55,300		
A21251	Revenue Auditor I	0.0	0.5	0.5	\$0	\$22,100	\$22,600		
Benefits					\$9,100	\$25,200	\$25,700		
Operating Costs									
Travel									
		\$5,000	\$5,000	\$0					
					ψ5,000	Ψ5,000	ΨΟ		
Capital Improvements. \$41,600 \$106,400 \$103,600									

TOTAL.....

LB ⁽¹⁾	1045	<u> </u>						FISCAL NOTE	
State Ag	gency OR I	Political Su	bdivision Name: (2)	State Treasurer					
Prepared by: (3) Tyson Larson		Dat	e Prepared: (4)	2/12/20	Phone: (5)	(402) 471-1234			
		ES	STIMATE PROV	IDED BY	STATE AGEN	NCY OR POLITICA	L SUBDIVIS	ION	
]	<u>F Y</u> EXPENDITURES	<u>2020-21</u>	REVENUE	EXPENDITU	<u>FY 2021</u> <u>JRES</u>	REVENUE	
GENER	RAL FUN	DS	_		-			<u> </u>	
CASH F	FUNDS		-		-	-		-	
FEDER	AL FUNI	DS	-		-			-	
OTHER	R FUNDS		-						
TOTAL	L FUNDS		-		_			-	
	ntion of E			= =					
Persona	al Service:	e·	BREAKDOV	VN BY M	AJOR OBJECT	S OF EXPENDITU	RE		
		ION TITI		UMBER (<u>20-21</u>	OF POSITION 21-22	S 2020-21 <u>EXPENDIT</u>		2021-22 EXPENDITURES	
Benefits	S				_				
Operati	ng								
Travel.									
	outlay								
Capital	ımproven	nents							