PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza January 05, 2022 (402)471-0050

**LB 701** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	22-23	FY 2023-24				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS				(\$4,238,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS				(\$4,238,000)			

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

LB 701 seeks to extend deadlines relating to the Nebraska Job Creation and Mainstreet Revitalization Act and the Nebraska Advantage Research & Development Act.

For the Mainstreet Revitalization Act, the application deadline would be extended from December 31, 2022 to December 31, 2027.

For the Nebraska Advantage Research & Development Act, the deadline to claim the credit would be extended from December 31, 2022 to December 31, 2023.

The Department of Revenue estimates the following General Fund impact due to extending the Mainstreet Revitalization Act:

- FY22-23: \$0
- FY23-24: (\$3,792,000)
- FY24-25: (\$4,550,000)
- FY25-26: (\$5,460,000)

The Department of Revenue estimates the following General Fund impact due to extending the Nebraska Advantage Research & Development Act:

- FY22-23: \$0
- FY23-24: (\$446,000)
- FY24-25: (\$468,000)
- FY25-26: (\$491,000)

The total impact to General Fund revenues is as follows:

- FY22-23: \$0
- FY23-24: (\$4,238,000)
- FY24-25: (\$5,018,000)
- FY25-26: (\$5,951,000)

The Department of Revenue estimates minimal costs to implement LB 701.

There is no basis to disagree with these estimates.

State Agency Estimate							
State Agency Name: Department of	Revenue				Date Due LFO:		
Approved by: Tony Fulton Date Pr			1/25/2022	Phone: 471-5896			
	FY 2022	-2023	FY 2023-2024		FY 2024-2025		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0		\$ (4,238,000)		\$ (5,018,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0		\$ (4,238,000)		\$ (5,018,000)	

LB 701 amends sections of Neb. Rev. Stat. § 77-2912 to change the deadline to file applications under the Nebraska Job Creation and Mainstreet Revitalization Act (Act) from December 31, 2022, to December 31, 2027. The bill also amends the deadline for allocating credits used on any tax return or similar filing from the original deadline of December 31, 2027, to December 31, 2032.

LB 701 amends sections of Neb. Rev. Stat. § 77-5806 to read that no business firm will be allowed to first claim the credit for any tax year beginning or deemed to begin after December 31, 2023. The previous deadline was December 31, 2022.

The Department of Revenue (DOR) used historical data for The Act and the Nebraska Advantage Research and Development Act to estimate the fiscal impact of LB 701 as follows:

	eneral Fund Revenues	Nebraska Advantage Research and Development Act		Nebraska Job Creation and Mainstreet Revitalization Act		
FY2022-23	\$ -	\$	-	\$	-	
FY2023-24	\$ (4,238,000)	\$	(446,000)	\$	(3,792,000)	
FY2024-25	\$ (5,018,000)	\$	(468,000)	\$	(4,550,000)	
FY2025-26	\$ (5,951,000)	\$	(491,000)	\$	(5,460,000)	

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

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures
Operating Costs							
	S						
Total					· · · · · · · · · · · · · · · · · · ·		

<b>LB</b> <sup>(1)</sup> 701						<b>FISCAL NOTE</b>
State Agency OR P	olitical Subdivision Name: (2)	Histor	ry Nebraska	(Nebraska Sta	te Historical	Society)
Prepared by: (3)	Michelle Furby	Dat	e Prepared: (4)	January 10, 202	2 Phone: (5)	402-471-3171
	ESTIMATE PROV	/IDED BY	STATE AGEN	NCY OR POLITIC	AL SUBDIVIS	ION
	<u>FY</u> <u>EXPENDITURE</u>	<u>/ 2022-23</u> <u>S</u>	REVENUE	<u>EXPENDI</u>	<u>FY 2023</u> <u>TURES</u>	-24 <u>REVENUE</u>
GENERAL FUNI	os					
CASH FUNDS						
FEDERAL FUND	os					
OTHER FUNDS				<del>-</del>		
TOTAL FUNDS						
Explanation of Es	stimate:	_				
"No Fiscal Impa	ct"					
D	· · · · · · · · · · · · · · · · · · ·	WN BY M	AJOR OBJECT	S OF EXPENDIT	<u>rure</u>	
Personal Services POSITI		NUMBER <u>22-23</u>	OF POSITIONS <u>23-24</u>	S 2022- <u>EXPENDI</u>		2023-24 EXPENDITURES
Benefits			_	<del>-</del>		
Capital outlay						
Aid						
Capital improvem	nents					
TOTAL						