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LB 630

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FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised for amendments adopted through April 26, 1999.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 1999-2000		FY 2000-2001	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	67,657		101,927	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	67,657		101,927	

*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

This bill creates the Beginning Farmer Tax Credit Act. This act allows for a refundable income tax credit that is equal to five percent of the gross rental income as specified by the bill. The credit is for tax years beginning on or after January 1, 2001. The bill creates the Beginning Farmer Board and prescribes duties for the board.

This bill will reduce General Fund income tax revenues because the beginning farmers tax credit is a refundable income tax credit. However, the credit would not be claimed until the taxpayers file their tax returns for tax year 2001 in 2002, and therefore, the revenue reduction would not show up until FY02. Based on the Department of Revenue's earlier estimate and adjusted for the delayed operative date, this bill could result in reduced revenues of \$2.325 million in FY02, \$4.7 million in FY03, and approximately \$7 million in FY04. It is estimated that the revenue reduction could level out in the third year.

Expenditure amounts for the Department of Agriculture and the Department of Revenue are as follows:

EXPENDITURE ITEMS:	FY00	FY01
Agriculture Program Manager (0.5 FTE)	18,765	18,765
Staff Assistant I (1.0 FTE)	19,574	19,574
Benefits	8,818	8,818
Operating	4,000	4,000
Travel	1,500	1,500
Capital Outlay (desks, chairs, PC's, etc.)	8,000	-
Board Travel	2,000	2,000
Contractual (study for estimating number of agricultural or livestock producers eligible for tax credits)	5,000	-
Department of Agriculture Total	67,657	54,657
Department of Revenue (computer programming changes for adding a line to the tax form)		47,270
TOTAL EXPENDITURES	67,657	101,927