PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 14, 2014 402-471-0051

**LB 956** 

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	l <b>4-1</b> 5	FY 2015-16			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		\$ 0		(\$9,649,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		\$ 0		(\$9,649,000)		

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

LB 956 amends the Nebraska Revenue Act of 1967 to increase the amount of a refundable credit against Nebraska income tax.

The bill amends Section 77-2715.07 to change the amount of the Nebraska earned income tax credit from the current ten percent of the federal credit to a proposed thirteen percent of the federal credit.

The bill is operative for taxable years beginning on or after January 1, 2015.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 956:

FY2014-15: \$ 0 FY2015-16: (\$ 9,649,000) FY2016-17: (\$ 9,946,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 956.

We agree with the Department's estimate of fiscal impact and cost.

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	1/24/2014	
Approved by: Kim Conroy		Date Prepared:	1/24/2014		Phone: 471-5896		
	FY 2014-2015		FY 2015-2016		FY 2016-2017		
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	Expenditures	Revenue	
General Funds		\$0	1	(\$9,649,000)		(\$9,946,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		(\$9,649,000)		(\$9,946,000)	

LB 956 increases the refundable earned income tax credit from 10% to 13% for tax years beginning or deemed to begin on or after January 1, 2015.

The estimated total reduction to General Fund revenues would be as follows:

FY 2014-2015	\$ 0
FY 2015-2016	\$ 9,649,000
FY 2016-2017	\$ 9,946,000

LB 691 is estimated to incur minimal costs to the Department.

Major Objects of Expenditure							
Class Code	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 Expenditures	15-16 Expenditures	16-17 Expenditures
Benefits				• • • • • • • • • • • • • • • • • • • •			