PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 21, 2014 402-471-0051

LB 691

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	l 4-1 5	FY 2015-16			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		\$ 0		(\$779,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		\$ 0		(\$779,000)		

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

LB 691 amends the Nebraska Revenue Act of 1967 Section 77-2715.07 to increase the child and dependent care tax credit.

The Nebraska nonrefundable credit is increased from 25 percent to 28 percent of the federal credit allowed under section 21 of the Internal Revenue Code of 1986, for those tax returns reporting federal adjusted gross income greater than \$29,000.

The credit is available to taxpayers that care for qualifying individuals to allow the taxpayer to be gainfully employed.

The bill applies to taxable years beginning on or after January 1, 2015.

The Department of Revenue estimates the following fiscal impact to the General Fund:

FY2014-15: \$ 0 FY2015-16: (\$ 779,000) FY2016-17: (\$ 805,000)

The Department of Revenue indicates minimal costs to implement LB 691.

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

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES					
LB: 691 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Lyn Heaton		DATE: 2/10/2014	PHONE: 402.471.4181		
COMMENTS: No basis to disagree with the Department of Revenue's analysis.					

State Agency Estimate							
State Agency Name: Department of	Revenue				Date Due LFA:	01/16/2014	
Approved by: Kim Conroy		Date Prepared:	1/17/2014		Phone: 471-5896		
FY 2014-2015		FY 2015-2016		FY 2016-2017			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0		(\$779,000)		(\$805,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		(\$779,000)		(\$805,000)	
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LB 691 increases the nonrefundable child care credit from 25% to 28% of the federal credit. This nonrefundable credit can only be claimed if federal adjusted gross income is greater than \$29,000.

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

FY 2014-2015	\$ 0
FY 2015-2016	\$ 779,000
FY 2016-2017	\$ 805,000

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

LB 691 applies to all taxable years beginning or deemed to begin on or after January 1, 2015.

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 <u>Expenditures</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>
Benefits	Benefits.						
Operating Costs.							
Travel							
Capital Outlay	Capital Outlay						
Aid							
Capital Improvements.							
Total							