PREPARED BY: DATE PREPARED: PHONE: Keisha Patent January 16, 2019 402-471-0059

LB 69

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 2019-20		FY 2020-21						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE					
GENERAL FUNDS	\$58,188			(\$5,850,000)					
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS									

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

LB 69 amends the Revenue Act of 1967 to create a nonrefundable individual income tax credit of \$300 if the following criteria are met:

- The individual is a resident taxpayer whose income falls between 200% and 400% of the federal poverty guidelines;
- The individual did not claim a federal credit for the elderly or permanently disabled; and
- The individual cares for another person who (1) lived in their principal place of residence for at least six months during the tax year, (2) is physically or mentally incapable of caring for himself or herself, and (3) whose income does not exceed 200% of the federal poverty guidelines.

LB 69 also creates a refundable individual income tax credit of \$300 if the following criteria are met:

- The individual is a resident taxpayer whose income does not exceed 200% of the federal poverty guidelines; and
- The individual cares for another person (1) who lived in their principal place of residence for at least six months during the tax year, (2) is physically or mentally incapable of caring for himself or herself, and (3) whose income does not exceed 200% of the federal poverty guidelines.

The tax credits are available to qualified individuals beginning with tax years on or after January 1, 2020. The 2019 poverty guideline for an individual is \$12,490. Therefore, 200% = \$24,980 and 400% = \$49,960.

Revenue:

The Department of Revenue estimates revenue to the General Fund as follows:

FY19-20 \$0

FY20-21 (\$5,850,000)

FY21-22 (\$5,890,000)

FY22-23 (\$5,930,000)

Expenditures:

The Department of Revenue estimates the bill will require a one-time programming charge of \$58,188 to OCIO for mainframe development.

State Agency Estimate									
Revenue				Date Due LFA:	1/17/19				
	Date Prepared:	1/17/19		Phone: 471-5896					
FY 2019-2020		FY 2020-2021		FY 2021-2022					
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue				
\$58,188	\$0	ĺ	(\$5,850,000)		(\$5,890,000)				
				,					
\$58,188	\$0		(\$5,850,000)		(\$5,890,000)				
	Expenditures \$58,188	Date Prepared: FY 2019-2020	Date Prepared: 1/17/19 FY 2019-2020 FY 2020 Expenditures Revenue Expenditures \$58,188 \$0	Date Prepared: 1/17/19 FY 2019-2020 FY 2020-2021 Expenditures Revenue Expenditures Revenue (\$5,850,000)	Date Prepared: 1/17/19				

LB 69 amends Neb. Rev. Stat. § 77-2715.07 to add a three hundred dollar refundable or a three hundred dollar non-refundable income tax credit for qualified resident individuals ("QRI") who care for another person for taxable years beginning or deemed to begin on or after January 1, 2020.

To qualify for the nonrefundable credit, a QRI must have federal adjusted gross income that exceeds two hundred percent but does not exceed four hundred percent of the federal poverty guidelines and have not claimed a Section 22 I.R.C. credit for the current taxable year.

To qualify for the refundable credit a QRI must have federal adjusted gross income that does not exceed two-hundred percent of the federal poverty guidelines.

For both the nonrefundable and refundable credit the QRI must have cared for another person who resided in the same principal place of abode as the QRI for at least 6 months in the taxable year and the other person must be physically or mentally unable to care for himself and have income that does not exceed two hundred percent of the federal poverty guidelines.

Assuming approximately 3.8% of the population has a severe disability and about three quarters of the income tax returns with Federal Adjusted Gross income are within four times the federal poverty level, the estimated total reduction to the General Fund would be as follows:

FY 2019-2020 \$-FY 2020-2021 \$5,850,000 FY 2021-2022 \$5,890,000

FY 2022-2023 \$5,930,000

LB 69 will require a one-time programing charge of \$58,188 paid to the OCIO for mainframe development and web development.

Major Objects of Expenditure								
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 Expenditures	21-22 Expenditures	
Benefits.								
Operating Costs				\$58,188				
Travel								
Capital Outlay								
Capital Improvements.								
Total				\$58,188				