

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$120,387	(\$88,142,000)	\$50,300	(\$207,785,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$120,387</b>	<b>(\$88,142,000)</b>	<b>\$50,300</b>	<b>(\$207,785,000)</b>

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

LB 1058 would make changes so that for taxable years beginning on or after January 1, 2025 an individual who is 55 years of age or older at the close of the taxable year could reduce his or her federal adjusted gross income by the amounts received as pensions or annuities, to the extent included in federal adjusted gross income.

The Department of Revenue (DOR) estimates the following decrease to General Fund revenues as a result of this bill:

- FY 24-25: (\$88,142,000)
- FY 25-26: (\$207,785,000)
- FY 26-27: (\$198,931,000)
- FY 27-28: (\$197,852,000)
- FY 28-29: (\$207,536,000)

The DOR estimates a need for a one-time programming charge of \$65,087 for mainframe and web development costs as well as a need for a Revenue Operations Clerk II to implement this bill.

There is no basis to disagree with these estimates. However, the DOR does not assume any salary or benefits increases for FY25-26 and FY26-27 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 1058	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1058 appears reasonable.		

