Doug Gibbs February 03, 2012 402-471-0051

LB 976

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISC	CAL IMPACT - STAT	E AGENCIES *		
	FY 2012-13		FY 2013-14		
-	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	\$ 11,226	(\$ 66,425,000)	\$0	(\$ 69,133,000)	
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	\$ 11,226	(\$ 66,425,000)	\$0	(\$ 69,133,000)	

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 976 amends Nebraska Revised Statutes Section 77-2716, dealing with the income tax, to exempt taxable social security benefits from the Nebraska individual income tax.

The exemption begins for tax years beginning on or after January 1, 2012.

The Department of Revenue estimates that LB 976 will have the following impact to the General Fund:

FY2012-13:

(\$ 66,425,000)

FY2013-14:

(\$ 69,133,000)

FY2014-15:

(\$72,865,000)

The Department estimates a one-time programming cost to add lines to the form 1040N, as well as to the NebFile online filing system of \$11,226 paid to the OCIO.

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY Lyn Heaton 2/7/12 PHONE 471-2526

COMMENTS

DEPT. OF REVENUE - No basis to disagree.

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Fiscal Note

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		State Agency	Estimate	32012			
State Agency Name: Department of Revenue		GISIA		Date Due LFA:	01/27/2012		
Approved by: Douglas Ewald		Date Prepared:	01/24/2012	"INE"	Phone: 471-5700		
	FY 2012-2	FY 2012-2013		FY 2013-2014 'C4,		FY 2014-2015	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$11,226	(\$66,425,000)		(\$69,133,000)		(\$72,865,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$11,226	(\$66,425,000)		(\$69,133,000)		(\$72,865,000)	

LB 976 exempts taxable social security benefits from Nebraska individual income tax.

The bill reduces the amount of Nebraska individual income tax and will result in a decrease to the General Fund of \$66.425 million, \$69.133 million, and \$72.865 million in FY2012-13 through FY2014-15, respectively.

The bill is operative beginning January 1, 2012. Departmental cost to implement LB 976 includes one-time programming fees to add lines to the Nebraska Individual Income Tax Return, 1040N, as well as to the NebFile online filing system. The total one-time cost is estimated to be \$11,226, and will be paid to the OCIO for programming services.

	Majo	or Objects of E	Expendit	ure			
Class Code	Classification Title	12-13 FTE	13-14 FTE	14-15 <u>FTE</u>	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures
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