

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 878 amends several sections of Nebraska Revised Statutes Chapter 77 dealing with electronic fund transfers, income tax withholding, and electronic filings. The bill has an operative date of January 1, 2011.

The bill amends Section 77-1784 to change the threshold amount from \$20,000 to \$500 for when the Tax Commissioner may require the use of electronic fund transfers for any taxes, fees, or amounts required to be paid to or collected by the Tax Commissioner for any taxpayer who made payments for a tax program in any prior year for that tax program.

The bill also inserts intent language in Section 77-1784 stating that it is the intent of the Legislature that the Department of Revenue implement a mandatory electronic filing system for all state tax programs and fees administered by the Department as deemed practicable and require the use of electronic fund transfers for any taxes, fees, or amounts to be paid or collected by the Department as deemed practicable.

Amends Section 77-2756 to give the Tax Commissioner authority to require that every employer or payor required to deduct and withhold income tax shall do so in such form and content as the Tax Commissioner may prescribe, which would include electronic filing or transfer. Also changes the date from March 15 to February 1 by which an employer or payor must furnish each employee a copy of the statement detailing taxes withheld on wages or payments subject to withholding; also changes to 50 from 250 statements when such statements must be filed electronically.

The bill amends Section 77-2794 to say that if the Tax Commissioner has implemented an electronic form of filing of returns and the return is not filed electronically, any overpayment of tax may be refunded within 180 days of original filing or after an amended return is filed.

The Department of Revenue estimates there is no fiscal impact to the General Fund associated with LB 878 and the cost to implement the provisions of the bill will be minimal. There is no basis to disagree with the Department's estimate of fiscal impact or cost to implement.

IMPACT TO POLITICAL SUBDIVISIONS:

There is no fiscal impact to political subdivisions associated with LB 878.