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 DATE PREPARED: January 26, 2009
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LB 77

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(31,000)		(61,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(31,000)		(61,000)

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

LB 77 changes provisions of the Long-Term Care Saving Plan Act and changes the income tax credit for contributions made to a long-term care savings plan.

The bill proposes to change the definition of "Qualified Individual" for purposes of the Long-Term Care Savings Plan Act to mean a person who turns 40 years of age or older during the taxable year who made payments for long-term care insurance premiums during the taxable year. The current limit is age 50. This will expand the potential group of participants to include those between the ages of 40 and 50 who are making such payments.

Qualified persons are allowed to deduct long-term care insurance premium payments which are not deducted for Federal Income Tax purposes from their Nebraska personal income tax. The bill would also increase the maximum amount of deduction allowed from the current amount of \$2,000 for married filing jointly to \$5,000 and from \$1,000 for any other return to \$2,500.

The State Treasurer administers the program. The bill's provisions presumably impact the number of participants and, therefore, the administrative costs associated with the program.

The Department of Revenue estimates that LB 77 will reduce revenue to the state by the following:

FY2009-10: (\$31,000)
 FY2010-11: (\$61,000)
 FY2011-12: (\$123,000)
 FY2012-13: (\$245,000)

The department estimates the cost to implement this bill would be minimal.

IMPACT TO POLITICAL SUBDIVISIONS:

There is no fiscal impact to political subdivisions associated with this bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/29/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF INSURANCE: Concur, no fiscal impact to the Department of Insurance. DEPARTMENT OF REVENUE: No basis upon which to disagree.					