

PREPARED BY: Doug Gibbs
 DATE PREPARED: January 28, 2013
 PHONE: 402-471-0051

LB 296

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$ 0		(\$1,297,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$ 0		(\$1,297,000)

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

LB 296 amends the Nebraska Revenue Act of 1967, Section 77-2716 dealing with reductions to federal adjusted gross income for state income tax purposes, and Sections 85-1802 and 85-1809 dealing with the education savings plan.

Section 77-2716 is amended to increase the reduction now available for contributions to the Nebraska educational savings plan trust from a maximum of \$2,500 to a maximum of \$5,000 for someone filing a married, filing separate tax return, and from a maximum of \$5,000 to a maximum of \$10,000 for any other return.

In addition, the bill would allow a rollover from another state's qualified tuition program to qualify for the reduction provided in this section. For a custodial account, including rollovers from another custodial account, the reduction shall only apply to contributions from the custodian of the account made after the effective date of this act.

Section 85-1802 is amended to further define participant in regard to contributions by a custodian for purposes of the reduction available in Section 77-2716, to include the parent or guardian of a minor, which parent or guardian is also the custodian of the account.

Section 85-1809 is amended to specify that in the event of the participant's death or legal incapacitation and the participant has failed to name a successor account owner, the account owner's spouse becomes the account owner or in the event there is no spouse or the spouse is dead or incapacitated, the account beneficiary becomes the account owner. Current statute now provides in this circumstance that the participant's estate becomes the successor participant.

The bill has an operative date of January 1, 2014 and will apply to tax years beginning on or after January 1, 2014.

The Department of Revenue estimates the following fiscal impact to the General Fund:

FY2013-14:	\$ 0
FY2014-15:	(\$1,297,000)
FY2015-16:	(\$1,371,000)
FY2016-17:	(\$1,449,000)

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 296	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 1/30/2013	PHONE: 402.471.4181
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 296	AM:	AGENCY/POLT. SUB: State Treasurer's Office	
REVIEWED BY: Lyn Heaton		DATE: 1/24/2013	PHONE: 402.471.4181
COMMENTS: Concur. No fiscal impact to the State Treasurer's Office.			

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 296 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 24, 2013 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:
No fiscal impact.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____