PREPARED BY: DATE PREPARED: PHONE: Scott Danigole April 05, 2016 471-0055

LB 756

Revision: 01

FISCAL NOTE

Updated to reflect amendments adopted to date.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2016-17		FY 2017-18					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS			(22,162)		0			
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS			(22,162)		0			

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

LB 756, as amended by AM2375, terminates the Long-Term Care Savings Plan on January 1, 2018

The State Treasurer estimates annual General Fund expenditure reductions of \$44,323 each year. This is an amount equal to the total appropriation for the plan. This estimate is reasonable. With AM2375, the Plan's termination is moved to January 1, 2018. Therefore, the expenditure reduction is reduced by 50% for fiscal year 2017-18.

The Department of Revenue estimates that terminating income tax deductions will increase General Fund revenue by \$31,000 in fiscal year 2016-17, \$32,000 in fiscal year 2017-18 and \$33,000 in fiscal year 2018-19, relative to the current year. This estimate appears to be reasonable. With the adoption of AM2375, these revenue increases are moved out by two fiscal years. Beginning in fiscal year 2018-19, revenue will begin to increase by the amounts estimated.

venue								
			Date Due LFA:					
	Approved by: Tony Fulton Date Prepared:				Phone: 471-5896			
FY 2016	5-2017	FY 201	<u>'-2018</u>	FY 2018	3-2019			
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
	\$31,000	ĺ	\$32,000		\$33,000			
	\$31,000		\$32,000		\$33,000			
	FY 2016 Expenditures	FY 2016-2017 Expenditures Revenue \$31,000	FY 2016-2017 FY 2017 Expenditures Revenue Expenditures \$31,000	FY 2016-2017 FY 2017-2018 Expenditures Revenue \$31,000 \$32,000	FY 2016-2017 FY 2017-2018 FY 2018 Expenditures Revenue Expenditures \$31,000 \$32,000			

LB 756 terminates the Nebraska Long-Term Care Savings Plan Act. Under the bill, the adjustments to federal adjusted gross income for contributions and withdrawals made by participants as part of the Nebraska Long-Term Care Savings Plan would be permitted only for tax years beginning before January 1, 2016. Plan participants would receive the balance in their accounts on the effective date of the bill.

The estimated increase to General Fund revenues would be as follows:

FY2016-17	\$ 31,000
FY2017-18	\$ 32,000
FY2018-19	\$ 33,000

Departmental cost to implement LB 756 is expected to be minimal.

Major Objects of Expenditure								
Class Code	Classification Title	16-17 <u>FTE</u>	17-18 <u>FTE</u>	18-19 <u>FTE</u>	16-17 Expenditures	17-18 Expenditures	18-19 Expenditures	
D								
Benefits								
Operating Costs								
Travel								
4 * 4								
Total								

LB ⁽¹⁾ 756					FISCAL NOTE
State Agency OR Politica	al Subdivision Name: ⁽²⁾	Nebraska State	Treasurer		
Prepared by: (3) Jas	on Walters	_ Date Prepared: (4)	January 13, 2016	Phone: (5)	402-471-2793
	ESTIMATE PROVIDE	D BY STATE AGENO	CY OR POLITICAL S	SUBDIVISIO	<u>N</u>
	<u>FY 20</u> <u>EXPENDITURES</u>	16-17 <u>REVENUE</u>	<u>EXPENDITU</u>	<u>FY 2017</u> <u>RES</u>	-18 <u>REVENUE</u>
GENERAL FUNDS	-\$44,323		-\$44,323	<u> </u>	
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	\$44,323		-\$44,323	<u> </u>	

Explanation of Estimate:

The fiscal impact in FY 2016-17 would be saving the funds that are to be appropriated to the Long-Term Care Savings Plan, as shown in LB 657, first session of the 104th Legislature. A budget for FY 2017-18 hasn't been prepared yet, but assuming the same budget in FY 2017-18 as in FY 2016-17 shows savings of the same dollar amounts, due to the termination of the Long-Term Care Savings Plan.

The Long-Term Care Savings Plan doesn't have a staff person, rather, work in this program is done by a variety of staff members. There would be a PSL savings as the Long-Term Care Savings Plan, wouldn't exist, but we wouldn't make any staffing reductions.

	NUMBER OF	POSITIONS	2016-17	2017-18	
POSITION TITLE	<u>16-17</u>	<u>17-18</u>	EXPENDITURES	EXPENDITURES	
			-\$13,796	-\$13,796	
Benefits			-\$3,759	-\$3,759	
Operating			-\$25,367	-\$25,367	
Travel			-\$1,051	-\$1,051	
Capital outlay			-\$350	-\$350	
Aid					
Capital improvements	• • • • • • •				
TOTAL			-\$44.323	-\$44.323	