

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$40,758,000)		(\$100,044,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$40,758,000)		(\$100,044,000)

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

LB 824 amends the Nebraska Revenue Act of 1967, Nebraska Revised Statutes Section 77-2716 to exclude Social Security benefits from the calculation of Nebraska income tax by allowing a reduction to federal adjusted gross income for taxable years beginning on or after January 1, 2019, by the extent those benefits are included in federal adjusted gross income.

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

FY2018-19: (\$ 40,758,000)  
 FY2019-20: (\$ 100,044,000)  
 FY2020-21: (\$ 105,484,000)  
 FY2021-22: (\$ 111,184,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 824.

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

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 824	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton	DATE: 1/31/2018	PHONE: <a href="tel:4024714181">(402) 471-4181</a>	
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.			

# LB 824

# Fiscal Note 2018

## State Agency Estimate

State Agency Name: Department of Revenue Date Due LFA: 1/31/2018

Approved by: Tony Fulton Date Prepared: 1/26/2018  
Phone: 471-5896

	FY 2018-2019		FY 2019-2020		FY 2020-2021	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$40,758,000)		(\$100,044,000)		(\$105,484,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		(\$40,758,000)		(\$100,044,000)		(\$105,484,000)

LB 824 provides a reduction to federal adjusted gross income for all benefits under the federal Social Security Act included in federal adjusted gross income for tax years beginning on or after January 1, 2019.

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

FY18-19	\$ 40,758,000
FY19-20	\$100,044,000
FY20-21	\$105,484,000
FY21-22	\$111,184,000

The estimated cost for the Department to implement LB 824 is expected to be minimal.

## Major Objects of Expenditure

Class Code	Classification Title	18-19 FTE	19-20 FTE	20-21 FTE	18-19 Expenditures	19-20 Expenditures	20-21 Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>							