

Revised to include AM473 and AM 805

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$15,098,000)		(\$28,602,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$15,098,000)		(\$28,602,000)

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

LB 64 seeks to change provisions related to social security benefits and federal adjusted gross income. Beginning January 1, 2021, federal adjusted gross income would be reduced by a percentage of the social security benefits received in the federal adjusted gross income. The percentage is set to increase each year until 100% of social security benefits can be deducted. LB 64 was amended by AM 473 and AM 805, which seeks to extend the schedule for reduction from 5 years to 10 years. The new schedule is as follows:

- Jan 1, 2021 to Jan 1, 2022: 5%
- Jan 1, 2022 to Jan 1, 2023: 20%
- Jan 1, 2023 to Jan 1, 2024: 30%
- Jan 1, 2024 to Jan 1, 2025: 40%
- Jan 1, 2025 to Jan 1, 2026: 50%
- Jan 1, 2026 to Jan 1, 2027: 60%
- Jan 1, 2027 to Jan 1, 2028: 70%
- Jan 1, 2028 to Jan 1, 2029: 80%
- Jan 1, 2029 to Jan 1, 2030: 90%
- Jan 1, 2030 and after: 100%

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

- FY21-22: (\$15,098,000)
- FY22-23: (\$28,602,000)
- FY23-24: (\$42,403,000)
- FY24-25: (\$57,448,000)
- FY25-26: (\$73,798,000)
- FY26-27: (\$91,511,000)
- FY27-28: (\$110,649,000)
- FY28-29: (\$131,279,000)
- FY29-30: (\$153,482,000)
- FY30-31: (\$168,027,000)

There is no basis to disagree with these estimates.

The Department expects minimal additional costs to implement LB 64. There is no basis to disagree with this estimate.

The estimated fiscal impact to the General Fund revenues would be as follows:

FY 2021-22	\$ (15,098,000)
FY 2022-23	\$ (28,602,000)
FY 2023-24	\$ (42,403,000)
FY 2024-25	\$ (57,448,000)
FY 2025-26	\$ (73,798,000)
FY 2026-27	\$ (91,511,000)
FY 2027-28	\$ (110,649,000)
FY 2028-29	\$ (131,279,000)
FY 2029-30	\$ (153,482,000)
FY 2030-31	\$ (168,027,000)

It is estimated that there will be minimal costs to the Department to implement this bill.