PREPARED BY: DATE PREPARED: PHONE: John Wiemer January 19, 2024 402-471-0051

**LB 1010** 

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2024-25 FY 2025-26						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$43,547,000)		(\$126,428,000)			
CASH FUNDS		\$43,547,000		\$126,428,000			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		\$0		\$0			

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

LB 1010 would make changes to Section 79-1021 so that every year beginning in 2024 the Department of Revenue (DOR) would need to certify to the State Treasurer the amount of tax credits that remain unclaimed under the Nebraska Property Tax Incentive Act for the tax year completed four years prior. The State Treasurer would then transfer the amount from the General Fund to the Education Future Fund to be used solely for the purpose described in subdivision (2)(b) of section 79-1021 regarding reimbursements related to special education under section 79-1142. The amount that would be transferred would be in addition to any amount transferred pursuant to subsection (3) of section 79-1021. Finally, the bill adds that the amounts that would be transferred to the Education Future Fund under this bill would be the primary source of funding for the reimbursement under section 79-1142 and if additional funds are needed, then any other funds available in the Education Future Fund could be used.

The DOR estimates the following fiscal impact to General Fund revenues and the Education Future Fund as a result of this bill:

## **General Fund**

FY24-25: (\$43,547,000) FY25-26: (\$126,428,000) FY26-27: (\$38,099,000)

## **Education Future Fund**

FY24-25: \$43,547,000 FY25-26: \$126,428,000 FY26-27: \$38,099,000

The DOR also estimates that there will be no cost to the DOR to implement the bill.

There is no basis to disagree with these estimates by the DOR.

The State Treasurer estimates no fiscal impact as a result of this bill. There is no basis to disagree with this estimate.

The Department of Education notes that the additional funding from this bill would help with the sustainability of the Education Future Fund.

	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB:	1010	AM:	AGENCY/POLT. SUB: State Treasurer				
RE\	/IEWED BY:	Gary Bush	DATE: 1/17/24 PHONE: (402) 471-4161				
CO	COMMENTS: Agree with the agency's estimate of no fiscal impact to the agency.						

	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB:	1010	AM:	AGENCY/POLT.	SUB: Nebrask	a Department of Education			
RE\	REVIEWED BY: Gary Bush DATE: 1/11/24 PHONE: (402) 471-4161							
COMMENTS: Agree with the agency that the bill would transfer General Funds to the Education Future Fund.  Note: The Nebraska Property Tax Incentive Act is an individual income tax credit. By directing a transfer, the bill will have a negative General Fund impact.								

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB:	LB: 1010 AM: AGENCY/POLT. SUB: Department of Revenue						
REVI	REVIEWED BY: Gary Bush DATE: 1/17/24 PHONE: (402) 471-4161						
СОМ	COMMENTS: Agree with agency on the fiscal impact of the bill.						

TOTAL.....

LB <sup>(1)</sup> 1010	)				FISCAL NOTE
State Agency OR	Political Subdivision Name: (2)	NE Department of	Education		
Prepared by: (3)	Bryce Wilson	Date Prepared: (4)	1/8/24	Phone: (5)	402-471-4320
	ESTIMATE PROVI	IDED BY STATE AGEN	CY OR POLITIC	AL SUBDIVIS	SION
	FY	<b>2024-25</b>		FY 2025	-26
	EXPENDITURES		<b>EXPENDIT</b>		REVENUE
GENERAL FUN	IDS				
CASH FUNDS					
FEDERAL FUN	DS				_
OTHER FUNDS	<u> </u>		-		
TOTAL FUNDS		· ·	<u> </u>		
Explanation of E	Estimata				
1 "					
Personal Service		VN BY MAJOR OBJECT	S OF EXPENDIT	<u>'URE</u>	-
	N	UMBER OF POSITION			2025-26
POSIT	TION TITLE	<u>24-25</u> <u>25-26</u>	<u>EXPENDI</u>	<u>rures</u>	<b>EXPENDITURES</b>
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improve	ments				

LB 1010 Fiscal Note 2024

State Agency Estimate						
State Agency Name: Department of	f Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	01/16/2024		Phone: 471-5896	
	FY 202	<u>4-2025</u>	FY 202	<u>25-2026</u>	FY 202	6-2027
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	Expenditures	Revenue
General Funds		\$(43,547,000)		\$(126,428,000)		\$(38,099,000)
Cash Funds		\$43,547,000		\$126,428,000		\$38,099,000
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0

LB 1010 amends Neb. Rev. Stat. § 79-1021 to require the Department of Revenue (DOR) to certify to the State Treasurer the amount of remaining unclaimed Nebraska Property Incentive Act tax credits for the tax year completed four years prior. The State Treasurer will transfer such amount from the General Fund to the Education Future Fund, and such money must be used solely to fund reimbursements related to special education under Neb. Rev. Stat. § 79-1142. Any amount transferred is in addition to any amount transferred under 79-1021(3).

Using the latest data available for the Nebraska Property Incentive Act, DOR estimates the following impact on the General Fund revenues and the Education Future Fund:

E:1 W	General Fund	Education Future	
Fiscal Year	revenues	Fund	
FY2024-25	\$ (43,547,000)	\$ 43,547,000	
FY2025-26	\$ (126,428,000)	\$ 126,428,000	
FY2026-27	\$ (38,099,000)	\$ 38,099,000	

It is estimated that there will be no cost to the DOR to implement LB 1010.

Major Objects of Expenditure							
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Operating Costs	Benefits						
Travel Capital Outlay							
	ıts						

<b>LB</b> <sup>(1)</sup> 1010			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	State Treasurer		
Prepared by: (3) Jason Walters	Date Prepared: (4)	Jan. 9, 2024 Phone	e: (5) 402-471-2793
ESTIMATE PROV	/IDED BY STATE AGEN	NCY OR POLITICAL SUBD	IVISION
<u>F Y</u> EXPENDITURE	<u>7 2024-25</u> S <u>REVENUE</u>	EXPENDITURES	<u>REVENUE</u>
GENERAL FUNDS			
CASH FUNDS		<del></del>	
	_	<del>-</del>	
FEDERAL FUNDS	_	<del>-</del>	
OTHER FUNDS	_	_	
TOTAL FUNDS	_		
Explanation of Estimate:			
BREAKDO' Personal Services:	WN BY MAJOR OBJECT	S OF EXPENDITURE	-
	NUMBER OF POSITION	S 2024-25	2025-26
POSITION TITLE	<u>24-25</u> <u>25-26</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
		<del></del>	
Benefits		<del></del>	
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			