

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(\$153,000,000)		(\$153,000,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$153,000,000)		(\$153,000,000)

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

LB14 creates a refundable credit against the income tax imposed by the Nebraska Revenue Act of 1967, allows the use for any individual who rents a house, apartment, or other residential unit in the state during the taxable year for use as such individual's primary residence. The credit is set as equal to five percent of the total amount of the rent paid by the individual during the taxable year.

Using the most recent (2022) 1-year American Community Survey (ACS) for Nebraska, there were 259,347 occupied units paying rent within the state with a median monthly rent paid of \$983. Using the median and assuming the credit were fully claimed, we estimate the cost of the tax credit would be approximately \$153,000,000 if fully claimed.

Two factors create uncertainty within this estimate provided.

- 1) The most recent ACS is 2022, during the past two years rent has surpassed most other goods in its inflationary cost so this may be an underestimate.
- 2) The ACS includes in its median monthly rent paid utilities, so in that respect the estimate may be high.

Due to time constraints, the Department of Revenue was unable to provide an estimate to meet the deadline for publishing prior to hearing. This fiscal note will be updated as needed to provide agency comment if necessary.