

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		(\$110,000,000)		\$3,000,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$110,000,000)		\$3,000,000

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

LB 20 introduces a new refundable tax credit for Nebraska residents who rent their primary residence. The tax credit is applicable to taxable years starting on or after January 1, 2024. Eligibility is determined for any individual who rents a house, apartment, or other residential unit in Nebraska, provided that the rented property serves as the individual's primary residence during the taxable year. The credit calculation will be based on the greater of four percent of the total rent paid during the taxable year or two hundred dollars, with a maximum limit of one thousand dollars.

The bill decreases the amount allocated under the Property Tax Credit Act, as follows:

- 2023: Minimum relief increased to \$360 million.
- Future Projections: 2024: Minimum relief set at \$282 million.
- 2025: Minimum relief set at \$317 million.
- 2026: Minimum relief set at \$332 million.
- 2027: Minimum relief set at \$347 million.
- 2028: Minimum relief set at \$362 million.

Estimated revenue loss to the General Fund for the rental credit is:

- FY2024-25: (\$110 million)
- FY2025-26: (\$115 million)
- FY2026-27: (\$120 million)

Estimated gain to the General Fund due to the reduction in the Property Tax Credit amount is:

- FY2024-25: \$0
- FY2025-26: \$113 million
- FY2026-27: \$113 million