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 DATE PREPARED: February 8, 2023  
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# LB 243

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				(\$449,500,000)
CASH FUNDS			\$449,500,000	\$449,500,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			<b>\$449,500,000</b>	<b>\$0</b>

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

LB 243 seeks to increase the minimum amount of relief granted under the Property Tax Credit Act. From tax years 2020 through 2023, the minimum amount granted would be \$275 million. For taxable year 2024 and after, the minimum amount granted would be \$700 million plus a percentage increase equal to the percentage increase in the total assessed value of all real property in the state from the prior year to the current year as determined by the Department of Revenue (DOR).

There would be no General Fund impact until after tax year 2023, when the allowable growth percentage goes into effect. The DOR estimates the following General Fund revenue reduction as a result of this bill:

Fiscal Year	General Fund Revenue	Property Tax Credit Fund
FY2023-24	\$ -	\$ -
FY2024-25	\$(449,500,000)	\$ 449,500,000
FY2025-26	\$(474,858,000)	\$ 474,858,000
FY2026-27	\$(501,103,000)	\$ 501,103,000

This would also result in a corresponding increase in the amount credited to the Property Tax Credit Fund.

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

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 243	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/7/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 243 appears reasonable.		

