John Wiemer February 8, 2023 402-471-0051

LB 243

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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	Property Tax			
riscal rear	Revenue	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.					

Fiscal Note 2023

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFO:							
Approved by: Glen White		Date Prepared:	02/06/2023		Phone: 471-5896		
	FY 2023-2024		FY 2024-2025		FY 2025-2026		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds				\$(449,500,000)		\$(474,858,000)	
Cash Funds			\$449,500,000	\$449,500,000	\$474,858,000	\$474,858,000	
Federal Funds							
Other Funds							
Total Funds			\$449,500,000	\$0	\$474,858,000	\$0	

LB 243 amends Neb. Rev. Stat. § 77-4212(1) by changing the minimum amount of relief granted to taxpayers via the Property Tax Credit Act for tax years 2024 and beyond from \$275 million to \$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).

LB 243 will result in transferring the following amount from the General Fund to the Property Tax Credit Cash Fund:

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

It is estimated there will be no cost to the DOR to implement this bill.

Major Objects of Expenditure							
Class Code	<u>Classification Title</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	25-26 <u>Expenditures</u>
Benefits	Benefits						
Operating Costs							
Travel							
Capital Outlay							
Capital Improvements							
Total	Total						