

**FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE**

Revised to include agency comment

<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	\$65,087			
CASH FUNDS		\$37,273,000		\$84,192,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$65,087</b>	<b>\$37,273,000</b>		<b>\$84,192,000</b>

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

LB31 creates an excise tax for dollars earned above certain amounts in relation to state income tax law, creates the Tax Equity Cash Fund and allows for transfers from the Tax Equity Cash Fund (TECF).

For single individuals, married filing separate, or estates and trusts, LB31 levies an excise tax of 9.5% on every dollar earned above \$1,000,000, less the applicable individual income tax rate in sec. 77-2715.03 for such individuals with an income over \$1,000,000.

For married filing jointly or head of household LB31 levies an excise tax of 9.5% on every dollar earned above \$2,000,000, less the applicable individual income tax rate in sec. 77-2715.03 for such individuals with an income over \$2,000,000.

The Department of Revenue is to collect the excise tax levied at least once per taxable year on a form and manner prescribed by the department for deposit into the TECF. The TECF may be used to defray administrative costs relating to the fund and may have its funds transferred to the General Fund, Education Future Fund, or Property Tax Credit Cash Fund.

LB31 does not describe the amounts to be transferred to the various funds, only that they may. It is our assumption that this will be handled during the biennial budget process.

The administrative impact relating to the implementation of this legislation as provided by the Department appears reasonable. No basis to disagree with the Department’s estimates for revenues collected resulting from this legislation.

