PREPARED BY: DATE PREPARED: PHONE: John Wiemer March 7, 2023 402-471-0051

**LB 499** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	23-24	FY 20	24-25			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$126,144	(\$2,156,000)		(\$1,043,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$126,144	(\$2,156,000)		(\$1,043,000)			

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

LB 499 extends the tax credits under the School Readiness Tax Credit Act. The bill extends the nonrefundable income tax credit for child care and education providers and the refundable income tax credit for eligible staff members so that the credits are available until January 1, 2028.

The Department of Revenue (DOR) estimates the following reduction to General Fund revenues from this bill:

- FY23-24: (\$2,156,000)
- FY24-25: (\$1,043,000)
- FY25-26: (\$1,148,000)
- FY26-27: (\$1,262,000)

The DOR also estimates a one-time charge to be paid to the Office of the Chief Information Officer (OCIO) of \$126,144 to add lines to tax forms and web development costs in order to restart this tax credit.

There is no basis to disagree with these estimates by the DOR.

The Department of Health and Human Services estimates no fiscal impact as a result of the bill. There is no basis to disagree with this estimate.

ADMINIS	STRATIVE SERVICES	S STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 499	AM:	AGENCY/POLT. SUB: Depart	ment of Revenue		
REVIEWED B	Y: Neil Sullivan	DATE: 3/3/2023	PHONE: (402) 471-4179		
COMMENTS:	COMMENTS: The Department of Revenue assessment of fiscal impact from LB 499 appears reasonable.				

ADMINI	STRATIVE SERVICES	S STATE BUDGET DIVISION: REVIE	EW OF AGENCY & POLT. SUB. RESPONSE
LB: 499	AM:	AGENCY/POLT. SUB: Depa	rtment of Health & Human Services
REVIEWED B	Y: Neil Sullivan	DATE: 3/3/2023	PHONE: (402) 471-4179
COMMENTS: from LB 499.	No basis to disagree	with the Department of Health & Hum	nan Services assessment of no fiscal impact

LB 499 Fiscal Note 2023

State Agency Estimate							
of Revenue				Date Due LFO:			
	Date Prepared:	03/02/2023		Phone: 471-5896			
FY 2023	<u>-2024</u>	FY 2024	<u>-2025</u>	FY 2025	<u>5-2026</u>		
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
\$126,144	\$(2,156,000)		\$(1,043,000)		\$(1,148,000)		
\$126,144	\$(2,156,000)		\$(1,043,000)		\$(1,148,000)		
	FY 2023 Expenditures \$126,144	Date Prepared:	Date Prepared: 03/02/2023   FY 2023-2024   FY 2024   Expenditures   Revenue   Expenditures   S126,144   \$(2,156,000)	Date Prepared: 03/02/2023     FY 2023-2024   FY 2024-2025     Expenditures   Revenue   Expenditures   Revenue   \$126,144   \$(2,156,000)   \$(1,043,000)   \$	Date Due LFO:           Date Prepared: 03/02/2023 Phone: 471-5896           FY 2023-2024 FY 2024-2025 FY 2024-2025           Expenditures         Revenue         Expenditures         Revenue         Expenditures           \$126,144         \$(2,156,000)         \$(1,043,000)         \$(1,043,000)		

LB 499 extends the availability of the nonrefundable credits for eligible childcare and education providers and the refundable credits for eligible staff members under the School Readiness Tax Credit Act to taxable years beginning before January 1, 2028.

The estimated fiscal impact of LB 499 to the General Fund revenues would be as follows:

FY2023-24	\$ (2,156,000)
FY2024-25	\$ (1,043,000)
FY2025-26	\$ (1,148,000)
FY2026-27	\$ (1,262,000)

Fiscal year 2023-24 shows a larger impact because the estimates assume the credit for tax year 2022 will be claimed by taxpayers through an amended return throughout fiscal year 2023-24. The fiscal impact for FY2023-24 effectively includes credit claim for two tax years.

Since the School Readiness Tax Credit Act has already sunset, LB 499 would requires a one-time charge of \$126,144 paid to the OCIO for adding a line to 1040N, 1120N, 1041N, and NebFile web development costs.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Benefits							
Operating Costs					\$126,144		
Travel							
Total			••••••	•••••••••••••••••••••••••••••••••••••••	\$126,144		

## LB<sub>(1)</sub> 499 FISCAL NOTE 2023

	ESTIMATE PROVID	DED BY STATE AGENCY OR PO	LITICAL SUBD	IVISION	
State Agency or Political S	Subdivision Name:(2) Depa	artment of Health and Human	Services		
Prepared by: (3) John Meals	Date Prepa	red 3-2-23		Phone:	(5) 471-6719
	FY 2023	-2024		FY 2024-202	<u>5</u>
	EXPENDITURES	REVENUE	EXPENDIT		REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	\$0	\$0		\$0	\$0
=	<u> </u>	<del></del>		·	<u> </u>
Return by date specified or 72	hours prior to public hearing,	whichever is earlier.			
Explanation of Estima	ite:				
There is no fiscal impa	act to the Department	of Health and Human Se	arvicac		
	act to the Bopartinoni	Of Fleath and Fluman St	ei vices.		
PERSONAL SERVICES:		AJOR OBJECTS OF EXPENDITUR	E		
	M.	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO	E SITIONS	2023-2024 (PENDITURES	2024-2025 EXPENDITURES
		AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO	E SITIONS	2023-2024 (PENDITURES	2024-2025 EXPENDITURES
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	POSITION TITLE	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO 23-24 2	E SITIONS		
	POSITION TITLE	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO 23-24 2	E SITIONS		
Benefits	POSITION TITLE	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO 23-24 2	E SITIONS		
Benefits	POSITION TITLE	NUMBER OF PO 23-24 2	E SITIONS		
Benefits Operating Travel	POSITION TITLE	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO 23-24 2	E SITIONS		
Benefits Operating Travel Capital Outlay	POSITION TITLE	AJOR OBJECTS OF EXPENDITUR  NUMBER OF PO 23-24 2	E SITIONS		

State Agency OR Political Subdivision Name: (2)  NE Dept of Education	
Prepared by: (3) Bryce Wilson Date Prepared: (4) 3/6/23 Phone: (5)	402-471-4320
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVIS	SION
FY 2023-24 FY 2024	4-25
EXPENDITURES REVENUE EXPENDITURES	REVENUE
GENERAL FUNDS	
CASH FUNDS	
FEDERAL FUNDS	
OTHER FUNDS	
TOTAL FUNDS	
Explanation of Estimate:	
Explanation of Estimate:	
BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE	
Personal Services:  BREARDOWN BY MAJOR OBJECTS OF EXPENDITURE	
POSITION TITLE  NUMBER OF POSITIONS 2023-24  23-24  24-25  EXPENDITURES	2024-25 EXPENDITURES
Benefits	
Operating	
Travel	
Capital outlay	
Aid	
Capital improvements	