

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<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		See below		See below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See below		See below

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

LB7 makes amendments to the Nebraska Income Tax and would implement the following income tax schedules:

Income Tax Schedule from January 1, 2014 to January 1, 2025							
Bracket #	Single Individuals	Married, Filing Jointly	Head of Household	Married, filing separate	Estates and trusts	Tax rate	TY24
1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	2.46%	2.46%
2	\$3,000-17,999	\$6,000-35,999	\$5,600-28,799	\$3,000-17,999	\$500-4,699	3.51%	3.51%
3	\$18,000-28,999	\$36,000-57,999	\$28,800-42,999	\$18,000-28,999	\$4,700-15,149	Rate Three	5.01%
4	\$29,000 and over	\$58,000 and over	\$43,000 and over	\$29,000 and over	\$15,150 and over	Rate Four	5.84%

Sets the minimum and maximum dollar amounts for each income bracket to be adjusted for inflation.

Income Tax Schedule beginning for Tax Year 2025									
Bracket #	Single Individuals	Married, Filing Jointly	Head of Household	Married, filing separate	Estates and trusts	Tax rate	TY25	TY26	TY27
1	\$0-2,999	\$0-5,999	\$0-5,599	\$0-2,999	\$0-499	Rate 1	2.46%	2.46%	2.46%
2	\$3,000-17,999	\$6,000-35,999	\$5,600-28,799	\$3,000-17,999	\$500-4,699	Rate 2	3.51%	3.51%	3.51%
3	\$18,000-28,999	\$36,000-57,999	\$28,800-42,999	\$18,000-28,999	\$4,700-15,149	Rate 3	5.01%	4.55%	3.99%
4	\$29,000-249,999	\$58,000-499,999	\$43,000-499,999	\$29,000-249,999	\$15,150-249,999	Rate 4	5.20%	4.55%	3.99%
5	\$250,000 and over	\$500,000 and over	\$500,000 and over	\$250,000 and over	\$250,000 and over	Rate 5	9%	9%	9%

Sets the minimum and maximum dollar amounts for each income bracket to be adjusted for inflation.

Due to time constraints, the Department of Revenue was unable to provide an estimate to meet the deadline for publishing prior to hearing. Our office is unable to provide an estimate at this time. However, our office estimates that this bill increase General Fund revenue by hundreds of millions of dollars beginning in FY2025-26. This fiscal note will be updated as soon as additional information is received.

We estimate minimal costs for the Department of Revenue to administer the plan.