

PREPARED BY: John Wiemer  
 DATE PREPARED: January 23, 2024  
 PHONE: 402-471-0051

**LB 863**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 863 would remove the income tax adjustment for individuals to reduce federal adjusted gross income by amounts received as annuities under the Federal Employees Retirement System (FERS) for taxable years beginning on or after January 1, 2024.

The Department of Revenue (DOR) estimates that this would have no General Fund revenue impact as this adjustment reflects what is already included in the General Fund financial status since fiscal notes from the 2023 session (LB 38 and LB 754) connected to this adjustment included fiscal impact for individuals to reduce federal adjusted gross income by amounts received as annuities under the Civil Service Retirement System and not for the FERS. The DOR additionally estimates no costs for it as a result of this bill.

There is no basis to disagree with this estimate.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 863	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 1/22/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 863 appears reasonable.			

