## LB 564

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	5-26	FY 2026-27				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$120,000,000)		(\$242,000,000)			
CASH FUNDS	\$120,000,000	\$120,000,000	\$242,000,000	\$242,000,000			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$120,000,000	\$0	\$242,000,000	\$0			

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

LB 564 amends the School District Property Tax Relief Act.

Under the bill, the property tax credit under the Act remains at \$750 million for tax year 2024 as well as the transfer language to the School District Property Tax Relief Credit Fund. The bill then amends provisions so that for tax year 2025 and each tax year thereafter, the total amount of relief granted under the Act shall be the total amount of relief from the prior year increased by \$150 million and amends the connected intent language to transfer funds for this relief from the General Fund to the School District Property Tax Relief Credit Fund. The bill then amends the General Fund to the School District Property Tax Relief Credit Fund under the Act.

The bill contains the emergency clause.

The Department of Revenue (DOR) estimates the following decrease to General Fund revenues as a result of this bill with corresponding credits to the School District Property Tax Relief Credit Fund and expenditures out of the Fund of the same, but positive, amounts:

- FY26: (\$120,000,000)
- FY27: (\$242,000,000)
- FY28: (\$362,000,000)
- FY29: (\$480,000,000)

The DOR estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates by the DOR. The intent language to transfer from the General Fund to the School District Property Tax Relief Credit Fund would be carried out in an A-bill to fully fund the credit amounts under this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 564 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED BY: Ryan Yang		DATE: 3/4/2025	PHONE: (402) 471-4178			
COMMENTS: Concur with the Department of Revenue assessment of General Fund and cash fund impact by LB 564.						

## Fiscal Note 2025

State Agency Name: Department of	of Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	03/03/2025		Phone: 471-5896	
	<u>FY 2025-2026</u>		FY 2026-2027		FY 2027-2028	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$(120,000,000)		\$(242,000,000)		\$(362,000,000)
Cash Funds	\$120,000,000	\$120,000,000	\$242,000,000	\$242,000,000	\$362,000,000	\$362,000,000
Federal Funds						
Other Funds						
Total Funds	\$120,000,000	\$0	\$242,000,000	\$ 0	\$362,000,000	\$ 0

LB 564 would amend the transfer from the General Fund to the School District Property Tax Relief Credit Fund as follows:

- \$750 million dollars in fiscal year 2024-25.
- For each fiscal year thereafter, the transfer amount would be the previous fiscal year amount increased by \$150 million.

It is estimated that LB 564 will have the following impact to the General Fund revenues and the School District Property Tax Relief Credit Fund:

	General Fund		Sch	School District Property		
		revenues	Tax	Relief Credit Fund		
FY2025-26	\$	(120,000,000)	\$	120,000,000		
FY2026-27	\$	(242,000,000)	\$	242,000,000		
FY2027-28	\$	(362,000,000)	\$	362,000,000		
FY2028-29	\$	(480,000,000)	\$	480,000,000		

It is estimated that there will be minimal costs for the Department of Revenue to implement LB 564.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 <u>Expenditures</u>	26-27 <u>Expenditures</u>	27-28 <u>Expenditures</u>	
Benefits	Benefits							
Operating Costs								
Travel								
Capital Outlay								
Capital Improvements								
Total								