

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	60,210	0	0	0	60,210
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	36,219,000	0	0	0	36,219,000
FY2027-2028	34,566,000	0	0	0	34,566,000
FY2028-2029	30,325,000	0	0	0	30,325,000

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

LB853 would amend § 77-2716 to increase federal taxable income of corporations and fiduciaries by the amount of any depreciation deduction for qualified property received under section 168(n) of the Internal Revenue Code (IRC). This section was added to the IRC by the federal OBBBA, which provides for 100 percent expensing for qualified property. The impact of LB853 would be to decouple the Nebraska tax code from this provision of the federal OBBBA.

The Department of Revenue (DOR) estimates that the provisions LB853 would result in the following increases in General Fund revenues:

- FY2026-27 \$36,219,000
- FY2027-28 \$34,566,000
- FY2028-29 \$30,325,000

DOR also estimates a one-time programming charge of \$60,210 to be paid to the OCIO for programming and development costs.

There is no reason to disagree with DOR's revenue or cost estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 853 AM: AGENCY/POLT. SUB: Department of Revenue

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COMMENTS: The Department of Revenue assessment of fiscal impact from LB 853 appears reasonable.

