

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	512,543	0	0	0	512,543
FY2027-2028	51,250	0	0	0	51,250
FY2028-2029	51,250	0	0	0	51,250
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	103,672,000	0	0	0	103,672,000
FY2027-2028	99,507,000	0	0	0	99,507,000
FY2028-2029	81,626,000	0	0	0	81,626,000

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

LB857 would amend Neb. Rev. Stat. § 77-2714 resulting in references to the Internal Revenue Code of 1986 (IRC) to be fixed as they were on January 1, 2024. The bill would end Nebraska’s rolling conformity to the IRC. By setting the date of conformity to January 1, 2024, provisions of the “One Big Beautiful Bill Act” (OBBBA) that impact Nebraska’s income tax would not become effective for the Nebraska code.

The Department of Revenue (DOR) estimates that decoupling from the OBBBA would result in the following impact on General Fund revenues:

- FY2026-27 \$103,672,000
- FY2027-28 \$99,507,000
- FY2028-29 \$81,626,000

The Department also states that the provisions of LB857 would require programming changes to add lines to a number of forms and schedules. The programming costs would be paid to the OCIO and include a one-time charge estimated at \$512,543. In addition, DOR estimates that there will be annual costs in subsequent tax years of \$51,250 for maintenance of tax forms in response to federal tax changes.

There is no basis to disagree with DOR’s estimates of revenue impact or maintenance costs.

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

LB: 857 AM: AGENCY/POLT. SUB: Department of Revenue

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COMMENTS: The Department of Revenue assessment of fiscal impact from LB 857 appears reasonable.

