

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	164,495	SEE BELOW	77,130	SEE BELOW
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	164,495	SEE BELOW	77,130	SEE BELOW

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 684 provides for a refundable tax credit based on the excess of property taxes paid on residential and agricultural properties over a percentage of an individual's federal adjusted gross income.

The bill does not define the percentages that are necessary to create an estimate. As such, the revenue impact of this bill is unknown.

An estimation of implementation costs for LB 684 assumes that the Department of Revenue will have access to a database of all residential property, which would be used to validate the credit. Currently no database exists that could be used to tie property tax data to income tax data. However, the Department of Property Assessment and Taxation is working on a state-wide property tax database that could be modified to administer LB684. This database could be available for tax year 2008 processing. For tax year 2007, the Department of Revenue would have to rely upon the counties to supply data in a usable format. Without this data, electronic filing of income taxes would be impractical. The costs include personnel expenses, one-time programming costs, and expenditures for mainframe and LAN/WAN systems.

Expense Items	FY08	FY09
Office Clerk III (0.75 FTE)	14,415	14,840
Revenue Agent (1.20 FTE)	35,310	36,370
Benefits	16,410	16,900
Operating Expenses	93,660	9,020
Capital Outlay	4,700	
Total	164,495	77,130

IMPACT ON POLITICAL SUBDIVISIONS: While there does not appear to be a revenue impact on political subdivisions, there could potentially be some costs associated with implementation. These costs are unknown at the current time.