Doug Gibbs January 30, 2012 402-471-0051 **LB 980** 

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *							
	FY 201	2-13	FY 2013-14				
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$ 333,000)		(\$ 582,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$ 333,000)		(\$ 582,000)			

<sup>\*</sup>Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 980 amends Nebraska Revised Statutes Section 77-2715.08 dealing with revenue and taxation to provide that each participant in an employee stock ownership trust, qualified under section 401(a) of the IRS code of 1986, is a qualified shareholder for purposes of the special capital gains exclusion and extraordinary dividend exclusion for individual income tax.

The bill becomes operative for tax years beginning on or after January 1, 2012.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 980:

FY2012-13:

(\$333,000)

FY2013-14:

(\$ 582,000)

FY2014-15:

(\$ 832,000)

The Department estimate of the cost to implement the bill to be minimal.

There is no basis to disagree with the Department's estimate of fiscal impact or cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	 <b>2</b> /1/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE - No basis upon	which to disagree.		

JAN 26 2012 Fiscal Note

2012

		State Agen	cy Estimate ધ 🥨				
State Agency Name: Department of Revenue			TIVE FIOCAL	Date Due LFA:			
Approved by: Douglas Ewald	Date Prepared:			- CAL	Phone: 471-5700		
	FY 2012-2013		FY 201	FY 2013-2014		FY 2014-2015	
	<u>Expenditures</u>	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	1	(\$333,000)	1	(\$582,000)	1	(\$832,000)	
Cash Funds				•		, , , ,	
Federal Funds							
Other Funds							
Total Funds		(\$333,000)		(\$582,000)		(\$832,000)	
ioun i unuo		(\$333,000)		(\$562,000)		(\$632	

LB 980 allows each participant in an employee stock ownership trust, qualified under section 401(a) of the Internal Revenue Code of 1986, to qualify as a shareholder for purposes of the special capital gains exclusion and extraordinary dividend exclusion for individual income tax.

The bill is expected to reduce revenue to the General Fund by the following amounts:

FY 2012-13: (\$333,000) FY 2013-14: (\$582,000) FY 2014-15: (\$832,000)

Departmental cost to implement the bill is expected to be minimal.

	Maj	or Objects of I	Expendit	ure			
Class Code	Classification Title	12-13 <u>FTE</u>	13-14 FTE	14-15 <u>FTE</u>	12-13 Expenditures	13-14 Expenditures	14-15 Expenditure
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