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PREPARED BY: Doug Gibbs
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LB 974

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$ 56,129	(\$ 120,762,000)		(\$ 85,770,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 56,129	(\$ 120,762,000)		(\$ 85,770,000)

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

LB 974 amends Nebraska Revised Statutes Section 77-2701.01, dealing with the income tax rate, to change the primary rate for the individual income tax, corporate income tax, and the financial institutions tax from 3.70% to 3.60%.

The bill would apply to tax years beginning on or after January 1, 2012. The Department of Revenue would issue new withholding tables effective January 1, 2013 to reflect the new tax rates.

The Department of Revenue estimates the following fiscal impact as a result of LB 974:

Fiscal Year:	Individual Income Tax:	Corporate Income Tax:	Total:
FY2012-13:	(\$ 111,634,000)	(\$ 9,128,000)	(\$ 120,762,000)
FY2013-14:	(\$ 79,223,000)	(\$ 6,547,000)	(\$ 85,770,000)
FY2014-15:	(\$ 83,159,000)	(\$ 6,976,000)	(\$ 90,135,000)

The Department of Revenue estimates a one-time charge from the OCIO for computer programming services of \$56,129.

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

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	2/23/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – No basis upon which to disagree.			

