

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$4,381	(\$5,795,000)		(\$22,205,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$4,381</b>	<b>(\$5,795,000)</b>		<b>(\$22,205,000)</b>

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

LB 328 amends the Nebraska Revenue Act of 1967, Section 77-2734.02 regarding corporate income tax.

The bill provides that for taxable years beginning on or after January 1, 2014 the corporate income tax rate shall be determined by using the same rates and brackets as are used for single individual filers. The pertinent individual rates and brackets are as follows:

<u>Bracket Number:</u>	<u>Bracket:</u>	<u>Tax Rate:</u>
1	\$0 – 2,999	2.46%
2	\$3,000 – 17,999	3.51%
3	\$18,000 – 28,999	5.01%
4	\$29,000 and over	6.84%

The Department of Revenue estimates the following fiscal impact to the General Fund:

FY2013-14:	(\$ 5,795,000)
FY2014-15:	(\$22,205,000)
FY2015-16:	(\$31,206,000)
FY2016-17:	(\$33,262,000)

The bill will require a one-time programming charge of \$4,381 paid to the Office of the CIO to change tax rates and brackets.

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

