

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$51,855	(\$6,084,000)		(\$20,812,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$51,855	(\$6,084,000)		(\$20,812,000)

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

LB 938 amends the Nebraska Revenue Act of 1967 to provide a nonrefundable credit against Nebraska income tax.

Section 77-2715.07 is amended to provide a nonrefundable income tax credit to individuals who paid any penalty pursuant to section 5000A of the Internal Revenue Code of 1986. The amount of the credit is equal to any penalty paid and must be taken in the taxable year in which the penalty was paid.

Section 5000A is the federal requirement to maintain minimum essential health care insurance under the Patient Protection and Affordable Care Act.

The bill becomes operative for taxable years beginning on or after January 1, 2014.

The Department of Revenue estimates the following fiscal impact to the General Fund as a result of LB 938:

FY2014-15: (\$ 6,084,000)
 FY2015-16: (\$20,812,000)
 FY2016-17: (\$44,506,000)

The Department indicates they will incur a one-time programming cost of \$51,855 for mainframe and web development costs.

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

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 938	AM:	AGENCY/POLT. SUB: Department of Insurance	
REVIEWED BY: Lyn Heaton		DATE: 2/13/2014	PHONE: 402.471.4181
COMMENTS: Concur. No fiscal impact to the Department of Insurance.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 938	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Lyn Heaton		DATE: 2/13/2014	PHONE: 402.471.4181
COMMENTS: Concur. No fiscal impact to the Department of Health and Human Services.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Steve Shively

Date Prepared:(4) 1-23-14

Phone: (5) 471-0676

	FY 2014-2015		FY 2015-2016	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$0		\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no fiscal impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2014-2015 EXPENDITURES	2015-2016 EXPENDITURES
	14-15	15-16		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$0	\$0
Capital Improvements.....				
TOTAL.....			\$0	\$0

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFA: 1/24/2014		
Approved by: Kim Conroy			Date Prepared: 1/24/2014		Phone: 471-5896	
	<u>FY 2014-2015</u>		<u>FY 2015-2016</u>		<u>FY 2016-2017</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$51,855	(\$6,084,000)		(\$20,812,000)		(\$44,506,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$51,855	(\$6,084,000)		(\$20,812,000)		(\$44,506,000)

LB 938 provides a nonrefundable income tax credit for any penalty paid pursuant to section 5000A of the Internal Revenue Code of 1986. Section 5000A applies to the minimum coverage requirements under the Patient Protection and Affordable Care Act. The credit must be taken in the taxable year in which the penalty was paid. The credit is applicable for taxable years beginning on or after January 1, 2014.

Assuming that the level of uninsured Nebraskans stays the same each year, the estimated impact of the bill on the General Fund is as follows:

FY 2014-15	\$ 6,084,000
FY 2015-16	\$20,812,000
FY 2016-17	\$44,506,000

LB 938 would require a one-time programming charge of \$51,855 for mainframe and web development costs.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>14-15 FTE</u>	<u>15-16 FTE</u>	<u>16-17 FTE</u>	<u>14-15 Expenditures</u>	<u>15-16 Expenditures</u>	<u>16-17 Expenditures</u>
	Benefits.....						
	Operating Costs.....				\$51,855		
	Travel.....						
	Capital Outlay.....						
	Aid.....						
	Capital Improvements.....						
	Total.....				\$51,855		

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 938

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Insurance

Prepared by: ⁽³⁾

Krystle Ledvina Garcia

Date Prepared: ⁽⁴⁾

1/22/2014

Phone: ⁽⁵⁾

(402) 471-4637

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:
No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____