

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$102,354	\$ 0	\$ 0	(\$15,117,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$102,354</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>(\$15,117,000)</b>

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

LB 897 amends the Nebraska Revenue Act of 1967.

Section 77-2701 is amended to create a nonrefundable income tax credit for the employer of any person receiving public assistance pursuant to the Nebraska Welfare Reform Act.

The amount of the credit is 20% of the employer's annual expenditures for certain services. Those services include the following provided to employees receiving public assistance:

- Health or dental insurance
- Child care services
- Transportation to and from work

The employer may also receive the credit for the cost of basic education provided by a public institution of postsecondary education but it appears that it is the employer's total cost for all employees and not just those employees receiving public assistance.

The employer claiming the credit may only do so for two years.

The bill is operative for taxable years beginning on or after January 1, 2015.

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

FY2014-15:	\$	0
FY2015-16:	(\$	15,117,000)
FY2016-17:	(\$	20,156,000)

The Department of Revenue indicates the bill will require a one-time programming charge of \$102,354 paid to the office of the CIO to add a line to Forms 1040N, 1120N, and 1041N, require changes to the NebFile online filing system, and to develop a system to track returns claiming the credit.

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

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 897	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Lyn Heaton	DATE: 2/10/2014	PHONE: <a href="tel:402.471.4181">402.471.4181</a>
COMMENTS: Concur. No direct operational cost for the Dept. of Health and Human Services is expected.		

**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) 1-28-14

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	<b>FY 2014-2015</b>		<b>FY 2015-2016</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>		\$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.....				
Capital Improvements.....				
<b>TOTAL.....</b>			\$0	\$0

