

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|-----------------------|-------------------|------------------------|
| | FY 2015-16 | | FY 2016-17 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$11,815 | (\$27,474,000) | \$0 | (\$111,612,000) |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$11,815 | (\$27,474,000) | \$0 | (\$111,612,000) |

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

LB 63 amends the Nebraska Revenue Act of 1967, Section 77-2716.

The bill provides that for Nebraska state income tax purposes, federal adjusted gross income (AGI) for taxpayers 65-years of age or older, shall exclude income subjected to federal tax under the Internal Revenue Code sections 1401(a) and 3101(a), to the extent such income was included in AGI for federal income tax purposes.

IRC Section 1401 deals with the rate of tax on self-employment income; (a) refers to old-age, survivors, and disability insurance income.

IRC Section 3101 deals with the rate of tax on employees; (a) refers to old-age, survivors, and disability insurance income.

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

FY2015-16: (\$ 27,474,000)
 FY2016-17: (\$ 111,612,000)
 FY2017-18: (\$ 118,435,000)
 FY2018-19: (\$ 125,144,000)

The Department of Revenue estimates a one-time programming charge of \$11,815 for mainframe programming changes as well as web programming costs for the NebFile system.

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

