

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|--------------------|---------------------|---------------------|
| | FY 2007-08 | | FY 2008-09 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | (3,327,000) | | (14,764,000) |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | (3,327,000) | | (14,764,000) |

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

LB 23 excludes from Nebraska Income Tax a percentage of any net long-term capital gains included in federal adjusted gross income (individuals) or federal taxable income (fiduciaries). The exclusion is phased in as follows:

2008 Tax Year – 10%
 2009 Tax Year – 20%
 2010 forward – 30%

The Department of Revenue estimates minimal implementation costs and the following revenue impact:

| <u>Fiscal Year</u> | <u>Revenue</u> |
|--------------------|----------------|
| 2007-08 | (3,327,000) |
| 2008-09 | (14,764,000) |
| 2009-10 | (27,257,000) |
| 2010-11 | (37,432,000) |

IMPACT ON POLITICAL SUBDIVISIONS: This bill does not appear to have a material impact on political subdivisions.