

PREPARED BY: David Rippe
 DATE PREPARED: January 25, 2007
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LB 22

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 22 significantly extends the brackets for all classes of inheritance tax recipients. Inheritance tax rates are not changed. This bill has an operative date of January 1, 2007.

Because the amount of inheritance tax paid is subtracted from estate tax liability, LB 22 would likely increase revenue from estate taxes.

IMPACT ON POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials estimates that revenue received from Class 1 inheritance tax will decrease by approximately 30%. The effects on Class 2 and Class 3 recipients cannot be readily determined, but it is estimated that the total revenue loss to counties would in excess of \$4 million per year. The total amount of inheritance tax currently collected by counties is approximately \$30 million per year.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/25/07	PHONE	471-2526
COMMENTS					
LANCASTER COUNTY TREASURER – No basis upon which to disagree. It is assumed there will be some loss in revenue for counties.					