

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$0		(\$2,919,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$0		(\$2,919,000)

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

LB 920 amends Nebraska Revised Statutes Section 77-2715.07, regarding the child and dependent care income tax credit.

The bill increases the income threshold of federal adjusted gross income (AGI) for the refundable Nebraska income tax credit from \$29,000 or less to \$52,000 or less. The credit is 100% of the federal credit for AGI not greater than \$32,000 and is reduced by 3.5% for each \$1,000 or fraction thereof that AGI exceeds \$32,000.

The bill also increases the income threshold of the AGI for the nonrefundable Nebraska income tax credit from \$29,000 to \$52,000 but less than \$150,000. The Nebraska credit is increased from 25% to 30% of the federal credit.

The change is effective for tax years beginning on or after January 1, 2019.

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

FY2019-20:	(\$ 2,919,000)
FY2020-21:	(\$ 2,992,000)
FY2021-22:	(\$ 3,067,000)
FY2022-23:	(\$ 3,143,000)

The Department of Revenue indicates minimal cost to implement the provisions of LB 920.

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

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 920	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 1/31/2018	PHONE: 402) 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's estimate.		
Technical Note: The Department mistakenly typed "for each \$2,000 or fraction thereof" in the text of their fiscal note when their calculation of revenue impact is correctly based on the bill's provision of "for each \$1,000 or fraction thereof".		

