

Updated to reflect any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(510,000)		(1,756,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(510,000)		(1,756,000)

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

LB 888 changes the corporate income brackets beginning on or after January 1, 2008.

Current statute provides for the first \$50,000 of taxable income to be taxed at a rate of 150.8% of the primary rate imposed on individuals under section 77-2701.01. For taxable income in excess of \$50,000 the rate is currently 211%.

LB 888 proposes to apply the rate of 150.8% to the first \$100,000 of taxable income and the rate of 211% for income in excess of \$100,000.

The Department of Revenue estimates the following General Fund revenue losses due to the widening of the brackets:

Fiscal Year	General Fund Revenue Loss
FY2008-09	(\$510,000)
FY2009-10	(\$1,756,000)
FY2010-11	(\$2,646,000)

There is no basis to disagree with these estimates. The Department of Revenue estimates minimal administrative costs to implement the bracket adjustments.