

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 315 amends provisions related to inheritance taxes to exempt proceeds of life insurance receivable by a trustee, of an inter vivos trust or a testamentary trust, for a policy upon the life of the decedent. The provision does not apply if the decedent's estate is the beneficiary of the trust.

LB 315 also provides for an independent proceeding for the sole purpose of determining inheritance tax in the county where the property subject to tax is situated in the absence of any proceeding under Chapter 30, article 24 or 25 of the Nebraska statutes.

This bill is not estimated to have a fiscal impact to the state. The Nebraska Association of County Officials estimates that counties could have a reduction in inheritance tax revenue, but any reduction is not expected to be significant.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 315	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 3/13/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 315	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 1/23/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with NACO's assessment of fiscal impact not expected to be significant.			

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 315

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/17/2019 Phone: ⁽⁵⁾ (402) 434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Currently, life insurance proceeds, if not paid to an executor of the estate, are not subject to the inheritance tax. This bill further clarifies that life insurance proceeds receivable by the trustee of either an inter vivos or testamentary trust are also not subject to inheritance tax, but that life insurance proceeds would be subject to inheritance tax if the decedent's estate is the beneficiary of the trust.

LB 315 could result in a loss of revenue to counties for the inheritance taxes collected. The impact is not expected to be significant.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____