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LB 974

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	65,000	SEE BELOW		SEE BELOW
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	65,000	SEE BELOW		SEE BELOW

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

LB 974 provides a nonrefundable income tax credit equal to 25% of the amount expended by any employer, employing 25 or fewer employees, who provides health insurance for its employees and pays a portion of the cost of the insurance. The credit is limited to those employers that have not made any contributions within the preceding two calendar years.

The credit is potentially available to any individual, corporation, estate or trust, financial institution paying the financial institutions tax, and insurance company paying the premiums or retaliatory tax, provided the entity employs fewer than 25 employees. The bill does not provide for a minimum contribution amount.

Based on the approximately 95,000 taxpayers that could potentially take advantage of the credit, the estimated revenue impact would likely fall in the range of (\$100,000,000) to (\$500,000,000) per year.

The Department of Revenue estimates one-time computer programming costs of \$65,000, based on changes to the individual income tax and financial institutions tax.

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