

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(\$5,687,000)		(\$17,820,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$5,687,000)		(\$17,820,000)

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

LB 887 changes the corporate income provisions beginning January 1, 2009.

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 887 proposes to apply the rate of 150.8% to the first \$100,000 of taxable income and the rate of 185% for income in excess of \$100,000.

The Department of Revenue estimates the General Fund revenue loss due to the widening of the bracket and the rate change to be as follows. There is no basis to disagree with these estimates. The Department also estimates the administrative costs to implement the bracket and rate change to be minimal.

Fiscal Year	General Fund Revenue Loss
FY2008-09	(\$5,687,000)
FY2009-10	(\$17,280,000)
FY2010-11	(\$23,629,000)