

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$109,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$109,000	

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

LB 952 creates a new category of individuals qualifying for a homestead exemption. Beginning January 1, 2021, veterans, who are discharged or separated with a characterization of honorable or general, with a disability of 50% or more but less than 100%, qualify for a homestead exemption. Eligible veterans must provide a certification confirming the disability is due to a non-service connected accident or illness and the disability percentage. The amount of the exemption is based on the household income of the claimant and then multiplied by the disability percentage of the claimant. The applicable disability percentage is between 50% and 95% based on the scale in LB 952.

Revenue:

This bill does not have an impact on General Fund revenue.

Expenditures:

The Department of Revenue estimates an increase in General Fund expenditures to include the new category of qualified individuals as follows:

FY20-2021	\$0
FY21-2022	\$109,000
FY22-2023	\$107,000
FY23-2024	\$106,000

The department estimates minimal costs to implement the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 952	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 01/22/2020	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact.			

State Agency Estimate

State Agency Name: Department of Revenue Date Due LFA:
 Approved by: Tony Fulton Date Prepared: Phone: 471-5896

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$0		\$109,000		\$107,000	
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0		\$109,000		\$107,000	

LB 952 amends Neb. Rev. Stat. § 77-3508 to provide for the exemption from property tax of homesteads owned by veterans who have been discharged or otherwise separated with a characterization of honorable or general (under honorable conditions) and who are 50% or more disabled, but less than totally disabled, due to a non-service-connected accident or illness. Eligible veterans must provide a certification from the United States Veterans Affairs confirming that the owner applicant is disabled due to a non-service-connected accident or illness and documenting the disability percentage. The percentage of exemption is to be determined by multiplying the applicable exemption percentage based on the claimants’ income by the applicable exemption percentage based on the claimants’ disability percentage. The exemption percentage based on disability percentage increases in increments of 5% percent for every 5% increase in disability beginning with a 50% exemption for veterans with a disability percentage of at least 50% but less than 55%.

The Department used the Public Use Microdata Sample (PUMS) from Census Bureau and estimated that LB 952 will increase to General Fund expenditures as follows:

FY2020-2021	\$ -
FY2021-2022	\$ 109,000
FY2022-2023	\$ 107,000
FY2023-2024	\$ 106,000

It is estimated that LB 952 will require changes to the Homestead Exemption Application Form, the information guide, and other documents. These changes can be done with existing Department staff. Therefore, there will be minimal costs to the Department to implement this bill.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Total							