LB 597

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22		FY 2022-23				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$59,942			(\$300,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$59,942			(\$300,000)			

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

LB 597 seeks to adopt a refundable income tax credit for parents of a stillborn child. In the taxable year in which the stillbirth occurred, the parent can claim a tax credit of \$2000. The stillbirth must've occurred after the twentieth week of gestation, and the child must've been a future dependent of the parent.

Revenue:

Using data from DHHS, the Department of Revenue estimates 150 qualifying stillbirths occur annually in Nebraska. This would lead to a \$300,000 General Fund revenue loss per year beginning in FY2022-23.

There is no basis to disagree with these estimates.

Expenditures:

DOR expects a one-time OCIO charge of \$59,942 to implement LB 597. There is no basis to disagree with this estimate.

Fiscal Note 2021

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFO:								
Approved by: Tony Fulton		Date Prepared:	2/2/2021	2021 Phone: 471-5896				
	FY 2021-2022		FY 2022-2023		FY 2023-2024			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	\$ 59,942	\$ 0		\$ (300,000)		\$ (300,000)		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	\$ 59,942	\$ 0		\$ (300,000)		\$ (300,000)		

State A com ou Estimate

LB 597 amends Neb. Rev. Stat. § 77-2715.07 to allow, for taxable years beginning on or after January 1, 2022, a \$2,000 refundable credit against the income tax imposed by the Nebraska Revenue Act of 1967 to the parent of a stillborn child in the year in which the stillbirth occurred. Additional requirements include the filing of a fetal death certificate, that the child advanced to at least the 20th week of gestation, and the child would have been a dependent of the individual claiming the credit.

DOR utilized data from DHHS's vital statistics records on the number of fetal deaths in Nebraska to determine the population for the credit. In Nebraska, there are approximately 150 such deaths annually at 20 weeks gestation or later. LB 597 is estimated to have the following fiscal impact on General Fund revenues.

\$ -
\$ (300,000)
\$ (300,000)
\$ (300,000)
\$ \$

LB 597 will require a one-time programming charge of \$59,942 paid to the OCIO to add a line to form 1040N and update NebFile.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 <u>Expenditures</u>	22-23 Expenditures	23-24 <u>Expenditures</u>	
Benefits	Benefits							
Operating Costs					\$59,942			
Travel								
Capital Outlay								
Capital Improvements								
Total				\$59,942				