

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	\$5,073	(\$4,981,000)		(\$20,223,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$5,073	(\$4,981,000)		(\$20,223,000)

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

LB 680 seeks to change the corporate tax rate imposed on taxable income in excess of \$100,000 from 7.81% to 6.84%. This rate would be effective for taxable years beginning or after January 1, 2022.

LB 680 becomes operative three months after adjournment.

The Department of Revenue estimates the following impact to General Fund revenues:

- FY21-22: (\$4,981,000)
- FY22-23: (\$20,223,000)
- FY23-24: (\$35,967,000)
- FY24-25: (\$41,865,000)

There is no basis to disagree with these estimates.

The Department of Revenue estimates a one-time OCIO charge of \$5,073 to implement LB 680. There is no basis to disagree with this estimate.

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFO:

Approved by: Tony Fulton

Date Prepared: 2/22/2021

Phone: 471-5896

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$5,073	(\$4,981,000)		(\$20,223,000)		(\$35,967,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$5,073	(\$4,981,000)		(\$20,223,000)		(\$35,967,000)

LB 680 amends Neb. Rev. Stat. § 77-2734.02 to change the corporate tax rate on all taxable income in excess of \$100,000 from 7.81% to 6.84% for taxable years beginning or deemed to begin on or after January 1, 2022. The 5.58% rate on the first \$100,000 of taxable income remains the same.

It is estimated that LB 680 will have the following impact on the General Fund revenues:

FY2021-22	\$	(4,981,000)
FY2022-23	\$	(20,223,000)
FY2023-24	\$	(35,967,000)
FY2024-25	\$	(41,865,000)

LB 680 will require a one-time charge of \$5,073 paid to the OCIO for mainframe development.

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

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>21-22 FTE</u>	<u>22-23 FTE</u>	<u>23-24 FTE</u>	<u>21-22 Expenditures</u>	<u>22-23 Expenditures</u>	<u>23-24 Expenditures</u>
	Benefits.....						
	Operating Costs.....				\$5,073		
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....				\$5,073		