LB 702

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	2-23	FY 2023-24				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$751,000)		(\$796,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$751,000)		(\$796,000)			

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

LB 702 seeks to extend the deadline on applications for the School Readiness Tax Credit. Currently, the credit is available until January 1, 2022. Under LB 702, the availability would extend to January 1, 2027.

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

- FY22-23: (\$751,000)
- FY23-24: (\$796,000)
- FY24-25: (\$836,000)
- FY25-26: (\$878,000)

The Department of Revenue estimates minimal costs to implement LB 702.

There is no basis to disagree with these estimates.

Fiscal Note 2022

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFO:								
Approved by: Tony Fulton		Date Prepared:	1/25/2022 Phone: 471-5896					
	FY 202	FY 2022-2023		3-2024	<u>FY 2024-2025</u>			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ (751,000)		\$ (796,000)		\$ (836,000)		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ (751,000)		\$ (796,000)		\$ (836,000)		

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LB 702 extends the availability of the nonrefundable credits for eligible childcare and education providers and the refundable credits for eligible staff members under the School Readiness Tax Credit Act to taxable years beginning before January 1, 2027. Currently, these credits are only available for taxable years beginning before January 1, 2022.

Using historical data on the use of these credits in Nebraska, LB 702 is estimated to have the following fiscal impact to the General Fund revenues:

\$ (751,000)
\$ (796,000)
\$ (836,000)
\$ (878,000)

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

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

Major Objects of Expenditure								
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 <u>Expenditures</u>	24-25 <u>Expenditures</u>	
Benefits								
Operating Costs								
Travel								
Capital Outlay								
Capital Improvements								
Total								