

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$61,873	(\$5,939,000)		(\$4,333,000)
CASH FUNDS		(\$31,000)		(\$31,480)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$61,873</b>	<b>(\$5,970,000)</b>		<b>(\$4,364,480)</b>

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

LB 1272 provides for a refundable income tax credit for law enforcement officers. Beginning in tax year 2022, a law enforcement officer would be able to claim a credit amount based on the years of the officer has served, as follows:

- Less than 5 years: \$250
- 5 to 10 years: \$500
- 10 to 15 years: \$750
- 15 to 20 years: \$1,000
- 20 to 25 years: \$1,500
- 25 to 30 years: \$2,000
- More than 30 years: \$2,500

Additionally, LB 1272 increases the tuition waiver entitled to law enforcement officers on resident tuition. The amount waived would be increased from 30% to 100%. Requirements for receiving this waiver remain the same.

The bill has the emergency clause.

**REVENUE:**

The Department of Revenue estimates the following impact on the General Fund due to the income tax credit:

FY22-23	(\$5,939,000)
FY23-24	(\$4,433,000)
FY24-25	(\$4,463,000)

The estimate includes a larger impact in FY22-23 due to the timing of claiming the tax year 2022 credit: the impact effectively includes 17 months because taxpayers are unlikely to adjust their withholding during 2022, but rather claim the credit when the return is filed in 2023. There is no basis to disagree with this estimate.

The department estimates minimal reduction in the General Fund due to the increase in the tuition waver.

The increase in the percentage of the tuition waiver will result in a reduction in Cash Fund revenue to the University of Nebraska by about \$15,000 per year and to the Nebraska State College System by approximately \$16,000 per year, along with a percentage growth in tuition each year. Metropolitan Community College estimates the waiver increase would reduce tuition revenue by approximately \$2500 per year. We assume there will be minimal reductions in tuition revenue at other community colleges as well. As community colleges are political subdivisions, the revenue changes to those entities are not reflected in the chart above.

**EXPENDITURES:**

The Department of Revenue estimates a one-time charge for programming to OCIO of \$105,660.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1272	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/14/2022	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 1272.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1272	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY: Neil Sullivan	DATE: 2/1/2022	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the University of Nebraska assessment of fiscal impact from LB 1272.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1272	AM:	AGENCY/POLT. SUB: Metropolitan Community College
REVIEWED BY: Neil Sullivan	DATE: 1/28/2022	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Metropolitan Community College assessment of fiscal impact from LB 1272.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1272	AM:	AGENCY/POLT. SUB: State College System
REVIEWED BY: Neil Sullivan	DATE: 1/26/2022	PHONE: (402) 471-4179
COMMENTS: The State College System assessment of fiscal impact from LB 1272 appears reasonable.		



their withholding or estimated payment, or both beginning January 1, 2023 to reflect their reduced tax burden. The fiscal impact for FY22-23 effectively includes 17 months rather than 12 months.

LB 1272 will require a one-time programming charge of \$61,873 paid to the OCIO for the following: adding a line to Schedule I and adding a line to NebFile for Individuals.

LB 1272 becomes operative for tax years beginning on or after January 1, 2022.

Please complete ALL (5) blanks in the first three lines.

2022

**LB <sup>(1)</sup> 1272 Provide an income tax credit for law enforcement officers based on years of service and change provisions relating to a waiver of tuition**

**FISCAL NOTE**

State Agency OR Political Subdivision Name:<sup>(2)</sup> University of Nebraska System

Prepared by:<sup>(3)</sup> Chris Kabourek

Date Prepared:<sup>(4)</sup> 01/31/2022

Phone:<sup>(5)</sup> (402) 472-7102

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2022-23		FY 2023-24	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	0.00	0.00	0.00	0.00
CASH FUNDS	0.00	15,000.00-	0.00	15,000.00-
FEDERAL FUNDS	0.00	0.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	0.00	15,000.00-	0.00	15,000.00-

Explanation of Estimate:

LB1272, if passed, would have a minimal effect on the University of Nebraska System. This bill would change the percentage of the resident tuition waivers for law enforcement officers from 30% to 100%. The only students that this would apply to are those working toward associate or baccalaureate degrees that relate to a career in law enforcement.

Historically, there have been few students using this tuition waiver, and those students are generally part-time. Even if this increases in popularity we do not envision that the cost burden will be more than \$15,000 per year across our undergraduate campuses.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	0	0		
	0	0		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines.

**2022**

**LB<sup>(1)</sup> 1272**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Metropolitan Community College

Prepared by: <sup>(3)</sup> Brenda Schumacher Date Prepared: <sup>(4)</sup> 1/26/2022 Phone: <sup>(5)</sup> 531-622-2406

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>2500</u>	<u>          </u>	<u>2500</u>	<u>          </u>
CASH FUNDS	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
FEDERAL FUNDS	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
OTHER FUNDS	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<u><u>2500</u></u>	<u><u>          </u></u>	<u><u>2500</u></u>	<u><u>          </u></u>

**Explanation of Estimate:**

We award very few law enforcement waivers. Based on what has been award at 30% changing to 100% would increase our waiver amount by approximately \$2500 a year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Operating.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Travel.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital outlay.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Aid.....	<u>          </u>	<u>          </u>	<u>2500</u>	<u>2500</u>
Capital improvements.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL.....</b>	<u>          </u>	<u>          </u>	<u>2500</u>	<u>2500</u>

Please complete ALL (5) blanks in the first three lines.

**2022**

**LB<sup>(1)</sup> 1272**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State College System

Prepared by: <sup>(3)</sup> Monte R. Kramer Date Prepared: <sup>(4)</sup> 1-24-22 Phone: <sup>(5)</sup> 402-471-2507

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$16,000)	_____	(\$16,480)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

Annual fiscal impact estimated at \$16,000.

The bill increases the amount of tuition to be waived to 100% after subtracting awarded financial aid grants and state scholarships and grants. Waivers representing 30% of tuition for law enforcement for the last five years on average totaled \$6,612 per year at the state colleges. If the waivers were 100% of tuition, the waiver value would have been \$22,041 per year on average. The impact is estimated at around \$16,000 per year which will grow by the percentage increase in tuition each year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____