

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 689 seeks to amend provisions of the Nebraska Property Tax Incentive Act. Under the bill, starting in taxable year 2026, the refundable credit against the income or franchise tax would be 100% of the community college taxes paid during the taxable year.

The bill also makes changes so that before the 2026 taxable year, for any fiscal year or short year taxpayer, a credit can be claimed in the first taxable year that begins following the calendar year for which the credit percentage was determined. The credit would be taken for the community college taxes paid by the taxpayer during the immediately preceding calendar year.

The Department of Revenue (DOR) estimates the following reduction to General Fund revenues from this bill:

Fiscal Year	General Fund Revenue
FY2023-24	\$ -
FY2024-25	\$ -
FY2025-26	\$ -
FY2026-27	\$ (92,436,000)
FY2027-28	\$ (95,671,000)
FY2028-29	\$ (99,019,000)
FY2029-30	\$ (102,485,000)

The DOR estimates minimal costs for it 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: 689	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/21/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 689 appears reasonable.		

