

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				(\$19,924,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				(\$19,924,000)

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

LB 295 seeks to increase the amount of earned income tax credit. Currently, the credit is equal to 10% of the federal earned income tax credit allowed under section 32 of the Internal Revenue Code of 1986. Under LB 295, the credit percentage would increase to 17% on or after January 1, 2024.

The Department of Revenue (DOR) estimates the following General Fund revenue loss due to LB 295:

Fiscal Year	General Fund revenues
FY 2023-2024	\$ -
FY 2024-2025	\$ (19,924,000)
FY 2025-2026	\$ (20,123,000)
FY 2026-2027	\$ (20,325,000)

The DOR estimates there will be minimal costs to implement LB 295.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 295	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/3/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 295 appears reasonable.		

