

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	(\$112,934,913)	(\$110,775,000)	(\$113,000,000)	(\$114,098,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$112,934,913)	(\$110,775,000)	(\$113,000,000)	(\$114,098,000)

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

LB 747 seeks to add a refundable credit against the income tax for any individual who rents a house, apartment, or other residential unit in the state during the taxable year for use as such individual's primary residence. The credit would be equal to the greater of 4% of the total amount of rent paid by the individual during the taxable year or \$200, but in no case would the credit exceed \$1,000. The credit would be for taxable years beginning on or after January 1, 2023.

LB 747 also seeks to change the amount of relief granted under the Property Tax Credit Act (Act). LB 747 would make changes so that for tax years 2020 through 2022, the minimum amount of relief granted under the Act would be \$275 million. Then, for tax year 2023 and each year after, the amount of relief granted under the Act would be \$200 million.

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

	General Fund Revenues	General Fund Expenditures
FY 2023-24	\$ (110,775,000)	\$ (113,000,000)
FY 2024-25	\$ (114,098,000)	\$ (113,000,000)
FY 2025-26	\$ (117,521,000)	\$ (113,000,000)

DOR also estimates a need for one-time costs of \$65,087 to be paid to the Office of the Chief Information Officer (OCIO) as a result of this bill.

There is no basis to disagree with these estimates by the DOR.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 747	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 3/20/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 747 appears reasonable.		

