

PREPARED BY: John Wiemer
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 PHONE: 402-471-0051

LB 1309

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$330,987	(\$24,888,000)	\$245,900	(\$58,072,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$330,987	(\$24,888,000)	\$245,900	(\$58,072,000)

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

LB 1309 would make changes so that for taxable years beginning on or after January 1, 2025, an individual's federal adjusted gross income would be reduced by the amount paid during the taxable year for medical care of the taxpayer, his or her spouse, or his or her dependent, to the extent that such expenses were not reimbursed by insurance or otherwise and were not already deducted in determining the taxpayer's federal adjusted gross income.

The Department of Revenue (DOR) estimates the following decrease to General Fund revenues as a result of this bill:

- FY 24-25: (\$24,888,000)
- FY 25-26: (\$58,072,000)
- FY 26-27: (\$53,862,000)
- FY 27-28: (\$52,287,000)

The DOR estimates a need for a one-time programming charge of \$65,087 to be paid to the Office of the Chief Information Officer for mainframe development and adding a line to NebFile as a result of the bill. DOR also estimates a need for 3 Fiscal Compliance Analysts and one Revenue Agent to be able to fulfill the responsibilities for the DOR under the bill.

There is no basis to disagree with these estimates. However, the DOR does not assume any salary or benefits increases for FY25-26 and FY26-27 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1309	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/6/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1309 appears reasonable.		

