

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		\$6,545,000		\$20,232,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$6,545,000		\$20,232,000

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

LB 47 would eliminate the franchise tax that financial institutions in the state pay based in the average deposits of the financial institutions beginning before January 1, 2025. The amount of the tax imposed as a franchise tax shall be the number of cents, as determined by section 77-3803, multiplied by the amount of average deposits of the financial institution in thousands of dollars. Per 77-3803, the rate of tax on deposits shall be twelve and three-tenths times the limitation rate. The limitation rate shall be forty-eight and eight-tenths percent of the maximum corporate income tax rate in effect for the taxable year.

After financial institutions are no longer subject to the franchise tax, all financial institutions shall be subject to the corporate tax imposed in section 77-2734.02 beginning on or after January 1, 2025 and in subsequent years.

The Department of Revenue estimates the following impact to the General Fund:

Fiscal Year	General Fund Revenues
FY 2024-25	\$6,545,000
FY 2025-26	\$20,232,000
FY 2026-27	\$31,160,000
FY 2027-28	\$30,556,000

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

