

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$135,958	(\$7,502,000)	\$64,400	(\$5,474,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$135,958	(\$7,502,000)	\$64,400	(\$5,474,000)

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

LB 28 provides that for taxable years on or after January 1, 2025, there shall be subtracted from the federal adjusted gross income of individuals any amount received by the individual as tip income to the extent such amount is included in federal adjusted gross income.

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

- FY26: (\$7,502,000)
- FY27: (\$5,474,000)
- FY28: (\$5,638,000)
- FY29: (\$5,807,000)

The DOR also estimates the need for a one-time programming charge of \$66,558 to be paid to the Office of the Chief Information Officer (OCIO) and a Fiscal Compliance Analyst as a result of the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 28	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Yang	DATE: 3/12/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 28 appears reasonable.		

