

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	(\$36,688,000)	\$64,400	(\$33,558,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$135,958	(\$36,688,000)	\$64,400	(\$33,558,000)

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

LB 30 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 income from overtime compensation paid according to the overtime pay provisions of the federal Fair Labor Standards Act of 1938, as amended, 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: (\$36,688,000)
- FY27: (\$33,558,000)
- FY28: (\$30,762,000)
- FY29: (\$32,158,000)

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: 30	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 30 appears reasonable.		

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:				
Approved by: James R. Kamm		Phone: 471-5896				
Date Prepared: 03/11/2025						
FY 2025-2026		FY 2026-2027		FY 2027-2028		
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$135,958	\$ (36,688,000)	\$64,400	\$ (33,558,000)	\$64,400	\$ (30,762,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$135,958	\$ (36,688,000)	\$64,400	\$ (33,558,000)	\$64,400	\$ (30,762,000)

LB 30 adds a decreasing adjustment, beginning for tax years beginning January 1, 2025, for any amount received by the individual as income from overtime compensation paid under the overtime pay provision of the Fair Labor Stands Act of 1938, as amended, to the extent such amount is included in federal adjusted gross income.

The estimated fiscal impact of LB 30 to the General Fund revenues would be as follows:

	General Fund revenues
FY24-25	\$ -
FY25-26	\$ (36,688,000)
FY26-27	\$ (33,558,000)
FY27-28	\$ (30,762,000)
FY28-29	\$ (32,158,000)

LB 30 would require a one-time programming charge of \$66,558 paid to the OCIO for mainframe and web development costs. The DOR will also need to hire 1.0 FTE of Fiscal Compliance Agent for the verification to ensure amounts claimed as overtime are actually overtime.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>25-26</u> <u>FTE</u>	<u>26-27</u> <u>FTE</u>	<u>27-28</u> <u>FTE</u>	<u>25-26</u> <u>Expenditures</u>	<u>26-27</u> <u>Expenditures</u>	<u>27-28</u> <u>Expenditures</u>
A21211	Fiscal Compliance Analyst	1.0	1.0	1.0	\$48,400	\$48,400	\$48,400
Benefits.....					\$16,000	\$16,000	\$16,000
Operating Costs.....					\$66,558		
Travel.....							
Capital Outlay.....					\$5,000		
Capital Improvements.....							
Total					\$135,958	\$64,400	\$64,400