

PREPARED BY: Scott Danigole  
 DATE PREPARED: January 29, 2025  
 PHONE: 402-471-0055

# LB 297

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		(\$22,000,000)		(\$22,000,000)
TOTAL FUNDS		(\$22,000,000)		(\$22,000,000)

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

LB 297 amends provisions of the Employment Security Law.

Section 1(5) reduces the state unemployment insurance tax rate for category twelve to .48 for tax year 2025.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 297	AM:	AGENCY/POLT. SUB: Department of Labor
REVIEWED BY: Ryan Yang	DATE: 1/30/2025	PHONE: (402) 471-4178
<p>COMMENTS: The Department of Labor assessment of fiscal impact from LB 297 appears reasonable.</p> <p>Technical Note: The Department fiscal note estimates that there will be a reduction of \$44 million in Unemployment Insurance tax to the Nebraska Department of Labor Treasury, also know as the UC Trust. This trust fund is not held by the State, but by the federal government. The Nebraska Department of Labor draws from this fund into its own bank account, and then uses those funds to pay benefits. LB 297 would not result in a loss of state revenue, but a loss in unemployment insurance benefits.</p>		

Please complete ALL (5) blanks in the first three lines.

**2025**

**LB<sup>(1)</sup> 297**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Rea Easton Date Prepared: <sup>(4)</sup> 1/27/2025 Phone: <sup>(5)</sup> 402-416-6809

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: The immediate reduction of the category twelve rate to 0.48 in 2025 will reduce the amount of collected tax contributions from employers by approximately \$44 million dollars.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____