

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	122,220	0	0	0	122,220
FY2027-2028	54,100	0	0	0	54,100
FY2028-2029	55,700	0	0	0	55,700
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	(28,106,000)	0	0	0	(28,106,000)
FY2027-2028	(67,805,000)	0	0	0	(67,805,000)
FY2028-2029	(68,156,000)	0	0	0	(68,156,000)

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

LB1206 would amend Section 77-2716 to allow individuals who are employed as certificated teachers, paraprofessionals, or paraeducators to exclude 100% of the income received from a school district or private school—to the extent that the income is included in federal adjusted gross income—for purposes of calculating Nebraska income tax. The exemption would be available for tax years beginning or deemed to begin on January 1, 2027.

The Department of Revenue (DOR) estimates that that General Fund revenues would be reduced by the following amounts as a result of the bill:

- FY2026-27 (\$28,106,000)
- FY2027-28 (\$67,805,000)
- FY2028-29 (\$68,156,000)

DOR also notes that the provisions of LB1206 would require adding a line to Form 1040N, Schedule I and NebFile. The department estimates a one-time cost for programming these changes by the OCIO of \$64,720. DOR would also require the services of a Revenue Operations Clerk II to carry out the bill's provisions.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: **1206** AM: AGENCY/POLT. SUB: **Department of Revenue**

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COMMENTS: The Department of Revenue's assessment of fiscal impact resulting from LB 1206 appears reasonable.

