

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 119 would reduce the inheritance tax rate for remote relatives from 13% to 10% of the clear market value of property received in excess of \$15,000.

The bill also provides that this change applies to property which passes from a decedent dying on or after January 1, 2009.

There is no fiscal impact to the General Fund.

IMPACT TO POLITICAL SUBDIVISIONS:

The rate change contained in LB 119 is estimated to result in a revenue reduction to nine counties of approximately \$530,000 per year. This estimate was provided by the Nebraska Association of County Officials (NACO). The estimate is based on historic levels of inheritance taxes received throughout the state. An accurate amount of impact on a county-by-county basis for the state as a whole cannot be determined. It should be noted that this impact on political subdivisions is representative and not intended to capture the entire impact on all counties of the state. The nine counties for which this \$530,000 revenue loss would be realized are as follows: (The figures do not exactly match the totals due to rounding).

<u>County</u>	<u>Current</u>	<u>Proposed</u>	<u>Lost Revenue</u>
Brown	\$21,172	\$16,286	\$4,886
Buffalo	\$357,744	\$275,188	\$82,556
Fillmore	\$308,189	\$237,069	\$71,120
Gage	\$570,564	\$438,895	\$131,668
Hamilton	\$75,400	\$58,000	\$17,400
Red Willow	\$110,465	\$84,973	\$25,491
Rock	\$38,952	\$29,963	\$8,988
Sarpy	\$718,355	\$552,581	\$165,774
Webster	\$95,639	\$73,568	\$22,070
TOTAL	\$2,296,484	\$1,766,526	\$529,957

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/21/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: Concur. No fiscal impact to the State. NEBRASKA ASSOCIATION OF COUNTY OFFICIALS: No basis upon which to disagree.					