

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$3,715	(\$62,080,000)	\$0	(\$67,886,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,715	(\$62,080,000)	\$0	(\$67,886,000)

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

LB 303 would amend Section 77-2716 to exclude social security benefits from the calculation of Nebraska income tax by allowing a reduction to federal adjusted gross income beginning in tax year 2009 in the amount of those benefits up to a maximum amount per type of filer.

The adjustments would begin in the tax year beginning January 1, 2009, and the maximum amounts allowed would be as follows:

<u>Tax Year:</u>	<u>Amount Federal Adjusted Gross Income Reduced, Married Filing Jointly:</u>	<u>Amount Federal Adjusted Gross Income Reduced, All Other Filings:</u>
2009:	\$ 30,000	\$ 15,000
2010:	\$ 60,000	\$ 30,000
2011:	\$ 90,000	\$ 45,000
2012:	\$ 120,000	\$ 60,000
2013 and after:	\$ 150,000	\$ 75,000

The Department of Revenue estimates the following fiscal impact of LB 303 to the General Fund:

FY2009-10:	(\$62,080,000)
FY2010-11:	(\$67,886,000)
FY2011-12:	(\$72,331,000)
FY2012-13:	(\$76,871,000)

The Department estimates the cost to implement the bill to include a one-time mainframe programming cost of \$3,715.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.