

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$100,000,000	(\$31,048,000)	\$100,000,000	(\$33,021,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$100,000,000</b>	<b>(\$31,048,000)</b>	<b>\$100,000,000</b>	<b>(\$33,021,000)</b>

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

LB 670 would change the lowest income tax brackets for all filers, beginning with tax year 2009, and would increase the amount of property tax relief provided under the Property Tax Credit Act.

The bill would change the bottom brackets for all filers as follows: from \$2,400 to \$5,000 for single and married filing separate filers; from \$4,800 to \$10,000 for married filing joint filers; from \$4,500 to \$8,000 for head of household filers; and from \$500 to \$1,000 for estates and trusts.

No other brackets or income tax rates would be affected by LB 670.

LB 670 would also increase the amount of property tax relief provided under the Property Tax Credit Act from \$115 million for 2008 to \$215 million for 2009. The bill provides that the State Treasurer shall transfer \$128 million from the General Fund and \$87 million from the Cash Reserve Fund to the Property Tax Credit Cash Fund by August 1, 2009. This legislation also provides for the transfer of \$33 million per year from the Cash Reserve Fund to the General Fund by June 30 each year for 2009, 2010, and 2011.

The Department of Revenue estimates that broadening the lower tax bracket would decrease revenue to the state by approximately the following:

FY2009-10:	(\$31,048,000)
FY2010-11:	(\$33,021,000)
FY2011-12:	(\$35,164,000)
FY2012-13:	(\$37,369,000)

The Department estimates the cost to implement this bill would be minimal.

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