

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	83,950	(37,500)	6,000	(38,500)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	83,950	(37,500)	6,000	(38,500)

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

LB 514 allows a non-refundable income tax credit for employers making contributions to their employees' long term care insurance plans. The credit is for 20% of the net contributions made by an employer during a taxable year. Net contributions are defined as those contributions made to the plans, less the amount receiving a federal tax benefit resulting from treatment of the contributions as a business expense. The credit may be carried forward for three years.

The Department of Revenue estimates 2/3 of the impact will come from Corporate Income Tax and 1/3 from the Individual Income Tax. The Department estimates the following revenue impact:

<u>Fiscal Year</u>	<u>Revenue</u>
2007-08	(37,500)
2008-09	(38,500)
2009-10	(40,100)
2010-11	(43,300)

The Department estimates \$78,100 of programming costs will be incurred in order for additional lines to be added to the Individual and Corporate Income Tax returns and schedules. The remainder of the costs are associated with ongoing personnel expenses for processing returns claiming this credit.

<u>Expense Items</u>	<u>FY08</u>	<u>FY09</u>
400 hours, temporary personnel	5,100	5,200
Benefits	750	800
Operating Expenses	78,100	
Total	83,950	6,000

IMPACT ON POLITICAL SUBDIVISIONS: This bill does not appear to have a material fiscal impact on political subdivisions.