

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$65,087	(\$969,000)		(\$2,231,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$65,087	(\$969,000)		(\$2,231,000)

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

LB 1394 would make changes so that for taxable years beginning on or after January 1, 2025 an individual who is a member of the National Guard could exclude 100% of the income received from the following sources to the extent such income is included in the individual's federal adjusted gross income:

- Serving in a 32 U.S.C. duty status such as members attending drills, annual training, and military schools and members who are serving in a 32 U.S.C. active guard reserve or active duty for operational support duty status;
- Employment as a 32 U.S.C. federal dual-status technician with the Nebraska National Guard; or
- Serving in a state active duty status.

The Department of Revenue (DOR) estimates the following decrease in General Fund revenues as a result of this bill:

- FY 24-25: (\$969,000)
- FY 25-26: (\$2,231,000)
- FY 26-27: (\$2,016,000)
- FY 27-28: (\$1,921,000)
- FY 28-29: (\$1,979,000)
- FY 29-30: (\$2,039,000)

The DOR estimates a need for a one-time programming charge of \$65,087 for mainframe and web development costs to add a line to the 1040N Schedule I.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1394	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 1/31/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1394 appears reasonable.		

