PREPARED BY: DATE PREPARED: PHONE: Douglas Gibbs January 16, 2018 402-471-0051

LB 881

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2018-19		FY 2019-20			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

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

LB 881 amends Nebraska Statute Section 77-2002 regarding the inheritance tax to add language to the statute specifying that the proceeds of life insurance receivable by a trustee of either an inter vivos or a testamentary trust are not subject to inheritance tax. The exemption does not apply if the decedent's estate is the beneficiary of the trust.

An inter vivos trust is a trust created during the lifetime of the settlor and is to become effective in his or her lifetime.

A testamentary trust is a trust created within a will and does not take effect until the death of the settlor.

A settlor is the creator of a trust.

There is no fiscal impact to the state as a result of the provisions of LB 881.

The Department of Revenue indicates there will be minimal costs to implement the provisions of LB 881.

We agree with the Department's estimate of cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials (NACO) indicates an indeterminate but not significant fiscal impact.

We have no basis to disagree with the NACO estimate of fiscal impact.

LB 881 Fiscal Note 2018

		State Agency	Estimate				
State Agency Name: Department	t of Revenue				Date Due LFA:	1/16/2018	
Approved by: Tony Fulton		Date Prepared:	1/16/2018		Phone: 471-5896		
	FY 2018	FY 2018-2019		FY 2019-2020		FY 2020-2021	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$0		\$0		\$0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		\$0		\$0	
					-	<u> </u>	

LB 881 would amend Neb. Rev. Stat. § 77-2002 (county inheritance tax) to exempt from inheritance tax the proceeds of a life insurance policy payable to a living or testamentary trust. The exemption would not extend to a life insurance policy payable to the estate of the decedent.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	18-19 <u>FTE</u>	19-20 <u>FTE</u>	20-21 <u>FTE</u>	18-19 Expenditures	19-20 Expenditures	20-21 Expenditures
D C.							
Benefits							
Travel							
	s						
Total							

LB (1) 881			FISCAL NOTE				
State Agency OR Political Subdivision Name: (2	Nebraska Association of County Officials (NACO)						
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/16/2018 Phone:	(5) 402.434.5660				
ESTIMATE PROV	IDED BY STATE AGENC	Y OR POLITICAL SUBDIVIS	SION				
<u>EXPENDITURI</u>	Y 2018-19 ES REVENUE	<u>FY 20</u> <u>EXPENDITURES</u>	REVENUE				
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							
TOTAL FUNDS							
Explanation of Estimate:							
	OWN BY MAJOR OBJECTS	S OF EXPENDITURE					
Personal Services: POSITION TITLE	NUMBER OF POSITIONS 18-19 19-20	2018-19 EXPENDITURES	2019-20 EXPENDITURES				
Benefits							
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							
TOTAL							