

PREPARED BY: John Wiemer
 DATE PREPARED: February 12, 2024
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LB 1403

Revision: 00

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	\$35,577			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$35,577			

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

LB 1403 would make changes so that credits under the Opportunity Scholarships Act could apply to the premiums tax on insurance companies and the franchise tax on financial institutions.

The bill would amend the Opportunity Scholarships Act definitions to change the meaning of education scholarship to mean a financial grant-in-aid to be used to pay the cost to educate an eligible student attending a qualified school, add the definition of tax credit to mean a credit that may be used against any income tax imposed by the Nebraska Revenue Act of 1967 or any tax imposed pursuant to section 77-907 to 77-918 or 77-3801 to 77-3807, and delete the term tuition. The bill would make changes so that an eligible student would include a resident of Nebraska who is receiving an education scholarship for the first time and is entering 6th grade.

The bill would also make changes regarding the information the scholarship-granting organization applicant would need to provide the Department of Revenue (DOR). The applicant would need to limit the maximum scholarship amount awarded to any student to the cost necessary to educate the eligible student at the qualified school such student attends.

The DOR estimates no impact to General Fund revenues as a result of this bill.

The DOR does estimate a one-time cost of \$35,577 to be paid to the Office of the Chief Information Officer (OCIO) for changes needed as a result of this bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1403	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/9/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 1403 appears reasonable.			

