

PREPARED BY: Douglas Gibbs
 DATE PREPARED: January 19, 2018
 PHONE: 402-471-0051

LB 728

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	\$49,343	\$4,768,000	\$0	\$11,706,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$49,343	\$4,768,000	\$0	\$11,706,000

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

LB 728 amends the Nebraska Revenue Act of 1967 regarding the state income tax.

The bill changes the individual income tax brackets and adds a fifth tax bracket effective for tax year beginning January 1, 2019 and after. The new bracket would be \$5 million for married filing jointly returns and \$2.5 million and over for all other returns. The rate for the fifth bracket would be 7.84%.

The Department of Revenue estimates the following fiscal impact of LB 728:

FY2018-19: \$ 4,768,000
 FY2019-20: \$ 11,706,000
 FY2020-21: \$ 12,350,000
 FY2021-22: \$ 13,029,000

The Department indicates that they will require a one-time programming charge of \$49,343 paid to the Office of the CIO for mainframe costs.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 728	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton	DATE: 1/23/2018	PHONE: (402) 471-4181	
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.			

