PREPARED BY: Keis DATE PREPARED: Mar PHONE: 402

> OTHER FUNDS TOTAL FUNDS

Keisha Patent March 03, 2022 402-471-0059

**LB 1273** 

Revision: 01

(\$207.480)

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATI

Revised due to adoption of amendments on General File

ESTIMATE OF	FISCAL IMPACT - ST	ATE AGENCIES (See n	arrative for political subdiv	rision estimates)
	FY 202	2-23	FY 20	23-24
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$105,660			(\$176,000)
CASH FUNDS		(\$31,000)		(\$31,480)
FEDERAL FUNDS				

(\$31.000)

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

LB 1273 provides for a reduction to Federal Adjusted Gross Income (FAGI). Beginning in tax year 2023, any retired individual over the age of 60 years old with at least 20 years of full-time service as a law enforcement officer may reduce their FAGI equal to the amount of health insurance premiums paid in the tax year.

Additionally, as amended by AM2005, the bill incorporates provisions of LB 1272 to increase the tuition waiver entitled to law enforcement officers on resident tuition. The amount waived would be increased from 30% to 100%. Requirements for receiving this waiver remain the same.

## **REVENUE:**

The Department of Revenue estimates the following impact on the General Fund:

FY22-23 \$0

FY23-24 (\$176,000) FY24-25 (\$187,000)

The increase in the percentage of the tuition waiver will result in a reduction in Cash Fund revenue to the University of Nebraska by about \$15,000 per year and to the Nebraska State College System by approximately \$16,000 per year, along with a percentage growth in tuition each year. We assume there will be minimal reductions in tuition revenue at other community colleges as well. As community colleges are political subdivisions, any revenue changes to those entities are not reflected in the chart above.

## **EXPENDITURES:**

The Department of Revenue estimates a one-time charge for programming to OCIO of \$105,660.

\$105.660

There is no basis to disagree with these estimates.

ADMINIS'	TRATIVE SERVICES S	STATE BUDGET DIVISION: REVIEW	OF AGENCY & POLT. SUB. RESPONSE
LB: 1273	AM: 2005	AGENCY/POLT. SUB: State Co	ollege System
REVIEWED BY	: Neil Sullivan	DATE: 2/25/2022	PHONE: (402) 471-4179
COMMENTS: T reasonable.	he State College Syste	m assessment of fiscal impact from L	LB 1273 as amended by AM 2005 appears

## LB 1273 AM 2005

**Fiscal Note** 

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	03/02/2022		Phone: 471-5896	
	FY 2022-	-2023	FY 2023	3-202 <u>4</u>	FY 2024	1-202 <u>5</u>
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$105,660	\$ 0		(\$176,000)		(\$187,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$105,660	\$ 0		(\$176,000)		(\$187,000)

AM 2005 adds a new section to LB 1273 that amends Neb. Rev. Stat. §85-2603 to increase the waiver of tuition charges for law enforcement officers from 30% to 100% for resident tuition at state universities and colleges that remains due after federal financial aid grants and state scholarships and grants during the officer's enrollment. AM 2005 provides for the renumbering of the remaining sections and correcting the repealer.

For reference, LB 1273 amends Neb. Rev. Stat. §77-2716 to provide that, for taxable years beginning on or after January 1, 2023, retired individuals who are at least 60 years old at the end of the tax year and who were employed full-time for at least 20 years as a certified law enforcement officer may reduce his or her federal adjusted gross income (AGI) by the amount of health insurance premiums paid by such individuals during the taxable year, to the extent such premiums were not already deducted in determining federal AGI.

LB 1273 as amended by AM 2005, the estimated reduction to General Fund revenue would be as follows:

FY 2022-23	\$ 0
FY 2023-24	\$ 176,000
FY 2024-25	\$ 187,000

LB 1273 AM 2005 will require a one-time programming charge of \$105,660 paid to the OCIO for the following: adding a line to the Schedule I, adding a line to NebFile for Individuals, and adding two new schedules.

LB 1273 AM 2005 becomes operative on tax years after January 1, 2023.

	 Major	Objects of <b>E</b>	Expendit	ure			
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures
Operating Costs					\$105,660		
Capital Outlay							
Total		· · · · · · · · · · · · · · · · · · ·	• • • • • • • • • • • • • • • • • • •	•••••	\$105,660		

LB <sup>(1)</sup> 1273,	, AM2005					FISCAL NOTE
State Agency OR Po	olitical Subdivision Name:	(2) Nebra	aska State C	ollege System		
Prepared by: (3)	Monte R. Kramer	Dat	e Prepared: (4)	2-24-2022	Phone:	(5) 402-471-2507
	ESTIMATE PRO	OVIDED BY	STATE AGEN	NCY OR POLITIC	CAL SUBDIV	ISION
	<u>E</u> XPENDITUR	FY <u>2022-23</u> RES	REVENUE	EXPEND	<u>FY 20</u> TURES	23-24 REVENUE
GENERAL FUND						<del></del>
CASH FUNDS			(\$16,000)	<del>-</del>		\$16,480)
FEDERAL FUND	S			<del>-</del>		
OTHER FUNDS				<del>-</del>		
TOTAL FUNDS						
Explanation of Es	timate:					
The bill increase state scholarship on average total would have been	e same as that provides the amount of tuitions and grants. Waive ed \$6,612 per year at	ed for LB12 in to be waiters represent the state of a average.	ived to 100% anting 30% of the colleges. If the The impact is	after subtracting uition for law en e waivers were	awarded fi forcement f 100% of tuit	
Personal Services:		OWN BY M	AJOR OBJECT	S OF EXPENDI	<u>rure</u>	
	ON TITLE	NUMBER (	OF POSITION 23-24	S 2022 EXPEND		2023-24 EXPENDITURES
1 0						
				<del></del>		<del></del>
Capital improvem	ents					
ТОТАІ						

Capital improvements.....

TOTAL.....

	division Name: (2) Univer	sity of Nebraska System		
epared by: <sup>(3)</sup> <b>Chris Kabo</b> u	<b>urek</b> Dat	re Prepared: <sup>(4)</sup>	<b>22</b> Phone: <sup>(5)</sup>	(402) 472-7102
E	STIMATE PROVIDED I	BY STATE AGENCY OR	POLITICAL SUBDIVISION	l
	FY 202			23-24
ENERAL FUNDS	EXPENDITURES 0.00	 <u>REVENUE</u> 15,000.00-	EXPENDITURES 0.00	REVENUE 15,000.00-
 ASH FUNDS	0.00	0.00	0.00	0.00
 DERAL FUNDS	0.00	0.00	0.00	0.00
THER FUNDS	0.00	0.00	0.00	0.00
 DTAL FUNDS	0.00	15,000.00-	0.00	15,000.00-
ur estimates, even if this wai		y we do not envision that th	e cost burden will be more thar	n \$15,000 across our
ur estimates, even if this wai	liver increases in popularity			n \$15,000 across our
ur estimates, even if this wai orgraduate campuses.	BREAKDOWN	BY MAJOR OBJECTS (	OF EXPENDITURE	
ur estimates, even if this wai ergraduate campuses.	BREAKDOWN			2023-24
ur estimates, even if this wai ergraduate campuses. ersonal Services:	BREAKDOWN	BY MAJOR OBJECTS O	OF EXPENDITURE 2022-23	2023-24
ur estimates, even if this wai ergraduate campuses. ersonal Services:	BREAKDOWN NUMBE	BY MAJOR OBJECTS O ER OF POSITIONS 23-24	OF EXPENDITURE 2022-23	2023-24
ur estimates, even if this wai ergraduate campuses. ersonal Services:  POSITION TITLE	BREAKDOWN    NUMBE  22-23  0 0	BY MAJOR OBJECTS ( ER OF POSITIONS 23-24 0	OF EXPENDITURE 2022-23	2023-24
ur estimates, even if this wai ergraduate campuses. ersonal Services:  POSITION TITLE	BREAKDOWN    NUMBE  22-23  0 0	BY MAJOR OBJECTS ( ER OF POSITIONS 23-24 0	OF EXPENDITURE 2022-23	
ergraduate campuses. ersonal Services:	BREAKDOWN    NUMBE  22-23  0 0	BY MAJOR OBJECTS ( ER OF POSITIONS 23-24 0	OF EXPENDITURE 2022-23	2023-24