

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$40,290,000)		(\$55,858,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$40,290,000)		(\$55,858,000)

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

LB 36 seeks to change the Nebraska individual income tax rate in the 3<sup>rd</sup> bracket. The new rates for the 3<sup>rd</sup> bracket would be the following:

- 5.01% for tax years beginning on or after January 1, 2014 and before January 1, 2023;
- 4.81% for tax years beginning on or after January 1, 2023 and before January 1, 2024;
- 4.61% for tax years beginning on or after January 1, 2024 and before January 1, 2025;
- 4.41% for tax years beginning on or after January 1, 2025 and before January 1, 2026;
- 4.17% for tax years beginning on or after January 1, 2026 and before January 1, 2027; and
- 4.01% for tax years beginning on or after January 1, 2027.

The Department of Revenue (DOR) estimates the following fiscal impact to General Fund revenues from this bill:

- FY 23-24: (\$40,290,000)
- FY 24-25: (\$55,858,000)
- FY 25-26: (\$84,352,000)
- FY 26-27: (\$114,223,000)
- FY 27-28: (\$132,241,000)
- FY 28-29: (\$139,071,000)

The DOR estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 36	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 3/10/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 36.		

