

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$100,516,000		\$395,851,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$100,516,000		\$395,851,000

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

LB 171 amends individual tax rates to provide that rates three and four shall be 4.99% for taxable years beginning on or after January 1, 2026.

The bill also amends corporate tax rates to provide that the rate shall be 4.99% for taxable years beginning on or after January 1, 2026.

The Department of Revenue (DOR) estimates the following increase to General Fund revenues as a result of the bill:

	Individual	Corporation	Total
FY 2025-26	\$ 90,000,000	\$ 10,516,000	\$ 100,516,000
FY 2026-27	\$ 339,000,000	\$ 56,851,000	\$ 395,851,000
FY 2027-28	\$ 518,000,000	\$ 136,353,000	\$ 654,353,000
FY 2028-29	\$ 538,000,000	\$ 199,796,000	\$ 737,796,000

The DOR estimates minimal costs to it as a result of the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 171	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Yang	DATE: 3/11/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 171.		

