Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22		FY 20	22-23			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$1,358,000)		(\$3,335,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$1,358,000)		(\$3,335,000)			

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

LB 6 seeks to change provisions related to the taxation of military retirement benefits. Under LB 6, military retirement benefits are further defined as requiring any such benefits to be identified on a 1099-R for received by the US Department of Defense or US Office of Personnel Management.

LB 6 would become operative January 1, 2022.

The Department of Revenue (DOR) estimates LB 6 will create a General Fund revenue loss as follows:

- FY21: \$0
- FY22: (\$1,358,000)
- FY23 (\$3,335,000)
- FY24: (\$3,522,000)

DOR expects no significant costs to implement LB 6. There is no basis to disagree with these estimates.

State Agency Estimate							
State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: Tony Fulton		Date Prepared:	1/26/2021		Phone: 471-5896		
	FY 2021-2022		FY 2022-2023		<u>FY 2023-2024</u>		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	Minimal	(\$1,358,000)		(\$3,335,000)		(\$3,522,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	Minimal	(\$1,358,000)		(\$3,335,000)		(\$3,522,000)	

State A compary Estimate

LB 6 clarifies provisions related to the military retirement benefit exclusion. For purposes of the exclusion, the term military retirement benefits includes retirement benefits reported to the individual on a Form 1099-R from either the United States Department of Defense or the United States Office of Personnel Management.

The estimated fiscal impact to the General Fund revenues would be as follows:

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\$ (1,358,000)
\$ (3,335,000)
\$ (3,522,000)

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 <u>Expenditures</u>	22-23 Expenditures	23-24 <u>Expenditures</u>
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Capital Improvements							
Total							