PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza February 12, 2021 (402)471-0050

LB 524

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	21-22	FY 2022-23			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		(\$7,332,000)				
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$7,332,000)				

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

LB 524 seeks to amend the refundable income tax credit available under the Nebraska Property Tax Incentive Act. Under LB 524, for the purposes of calculating the credit during calendar year 2020, any 2019 school district taxes paid levied and paid during calendar 2019 shall be deemed to have been paid in calendar year 2020.

The Department of Revenue estimates a General Fund revenue loss of \$7,332,000 in FY21-22. This is based on the assumptions that the property tax credit rate remains at 6% for 2020, 5.5% of property taxes levied in 2019 were paid, and that taxpayers will file amended 2020 income tax returns if LB 524 is enacted. These assumptions appear reasonable, and as such there is no basis to disagree with the estimate provided by the Department.

The Department of Revenue estimates no extra costs to implement LB 524. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials (NACO) estimates no fiscal impact to counties as a result of LB 524. There is no basis to disagree with this estimate.

ADMINI	STRATIVE SERVIC	ES STATE BUDGET DIVISION: REVIEW OF	FAGENCY & POLT. SUB. RESPONSE
LB: 524	AM:	AGENCY/POLT. SUB: Department of	f Revenue
REVIEWED BY:	Lee Will	DATE: 02/12/2021	PHONE: (402) 471-4175
		vith the Department of Revenue's assessment strict taxes levied and paid in calendar year 20	

ADMINIS	STRATIVE SERV	TICES STATE BUDGET DIVISION: REVIEW OF A	AGENCY & POLT. SUB. RESPONSE	
LB: 524	AM:	AGENCY/POLT. SUB: Nebraska Assoc	ciation of County Officials (NACO)	
REVIEWED BY:	Lee Will	DATE: 02/12/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with NACO's assessment of no fiscal impact to the counties.				

LB 0524 Fiscal Note 2021

		State Agency	Estimate			
State Agency Name: Department	t of Revenue]	Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	2/11/2021]	Phone: 471-5896	
	FY 2021-20:		FY 202	2-2023	FY 2023	3-2024
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$7,332,000)		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		(\$7,332,000)		\$ 0		\$ 0

LB 524 amends Neb. Rev. Stat. § 77-6703 to provide, that for the purposes of calculating the refundable income tax credit under the Nebraska Property Tax Incentive Act, any 2019 school district taxes that were both levied and paid during calendar year 2019 are to be deemed to have been paid in calendar year 2020.

The following assumptions were made to calculate the fiscal impact of LB 524:

- 1) The property tax credit rate for 2020 tax returns remain at 6.0%,
- 2) Approximately 5.5% of property taxes levied in 2019 were paid in 2019, and
- 3) Taxpayers will file their 2020 income tax return under current law, and will then file an amended 2020 income tax return after July 1, 2021 if LB 524 becomes law.

With the above assumptions, LB 524 is estimated to have the following impact to the General Fund revenues:

FY21-22 \$ (7,332,000) FY22-23 \$ -FY23-24 \$ -

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

Since there is an emergency clause, this bill will take effect when signed and passed.

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 Expenditures	22-23 Expenditures	23-24 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Capital Improvements							

LB ⁽¹⁾ 524			FISCAL NOTE				
State Agency OR Political Subdivision Name: (2	Nebraska Association of County Officials (NACO)						
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/21/2021 Phone:	402.434.5660				
ESTIMATE PROV	VIDED BY STATE AGENC	CY OR POLITICAL SUBDIVIS	SION				
<u> </u>	<u> Y 2021-22</u>	<u>FY 20</u>	<u>22-23</u>				
<u>EXPENDITUR</u>	<u>ES</u> <u>REVENUE</u>	EXPENDITURES	<u>REVENUE</u>				
GENERAL FUNDS							
CASH FUNDS	_						
FEDERAL FUNDS							
OTHER FUNDS	_						
TOTAL FUNDS		·					
Explanation of Estimate:							
DDE A VIN	NWN DV MA IOD OBJECT	es de expeniora de					
Personal Services:	OWN BY MAJOR OBJECT	S OF EXPENDITURE					
POSITION TITLE	NUMBER OF POSITIONS 21-22 22-23	S 2021-22 <u>EXPENDITURES</u>	2022-23 EXPENDITURES				
Benefits							
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							
TOTAL							