

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0	\$0	(\$1,685,000)	\$250,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	(\$1,685,000)	\$250,000

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

LB 76 amends the Nebraska Revenue Act of 1967, Section 77-2715.07 regarding the earned income tax credit.

The bill provides that an individual would only receive the Nebraska credit if the individual would have received the federal credit after adding back in any carryforward of a net operating loss that was deducted in determining the individual's initial eligibility for the federal credit.

The Nebraska credit is equal to ten percent of the federal credit. For tax year 2014, based off the federal credit maximums, the maximum Nebraska credit would be: \$614 (with 3 or more qualifying children); \$546 (with 2 qualifying children); \$330 (with one qualifying child); and \$49 (with no qualifying children).

LB 76 also amends the definition of household income for Nebraska income tax purposes to now include any carryforward of a net operating loss to the extent deducted for federal income tax purposes.

The bill has an operative date of January 1, 2016.

The Department of Revenue estimates the following fiscal impact as a result of LB 76:

Fiscal Year:	General Fund Expenditure:	General Fund Revenue:
2015-16	\$ 0	\$ 0
2016-17	(\$1,685,000)	\$250,000
2017-18	(\$1,761,000)	\$261,000
2018-19	(\$1,840,000)	\$273,000

The Department indicates a one-time programming cost of \$30,684 paid to the Office of the CIO for mainframe programming costs and web development costs for the NebFile system.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

