PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 08, 2019 402-471-0059

**LB 477** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2019-20		FY 2020-21			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS	\$58,192					
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	\$58,192					

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

LB 477 amends the Nebraska Revenue Act of 1967 to reduce a taxpayer's federal adjusted gross income by amounts received from a Segal AmeriCorps Education Award, beginning with tax years on or after January 1, 2020.

The Department of Revenue estimates the reduction in revenue to the General Fund to be minimal. Based upon the data available regarding the number of individuals affected and amount of income received, accounting for the applicable income tax rates, the estimate is reasonable.

The Department of Revenue estimates a one-time programming charge of \$58,192 to OCIO for mainframe and web development charges to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 477	AM:	AGENCY/POLT. SUB: Department of Reven	ue		
REVIEWED BY:	Lee Will	DATE: 2/11/2019	PHONE: (402) 471-4175		
COMMENTS: The Department of Revenue's statement of fiscal impact seems reasonable given the assumptions used.					

LB 477 Fiscal Note 2019

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFA:	2/8/19
Approved by: Tony Fulton		Date Prepared:	2/6/19		Phone: 471-5896	
	FY 2019-2020		FY 2020-2021		FY 2021-2022	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$58,192	\$0	\$0	Minimal	\$0	Minimal
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$58,192	\$0	\$0	Minimal	\$0	Minimal
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LB 477 creates an income tax exemption for Segal AmeriCorps Education Awards. The exemption is for taxable years beginning on or after January 1, 2020 and is for the amount received as a Segal AmeriCorps Education Award to the extent such amount is included in federal AGI.

The Department utilized data from the Corporation for National and Community Service on the amount of Segal Education Awards awarded in Nebraska. In 2018, approximately 260 individuals were awarded scholarships of approximately \$840,000. The additional tax from these scholarships totals to a minimal amount.

Consequently, it is estimated that this bill will have a minimal negative impact on General Fund revenues.

LB 477 would require a one-time programming charge of \$58,192 paid to the OCIO for mainframe and web development changes. The Department would be able to implement LB 477 with existing staff.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 Expenditures	21-22 Expenditures
Benefits							
Operating Costs					\$58,192		
Capital Outlay	is						
Total		•••••		······	\$58,192		