

State of Nebraska



July 15, 2021

Patrick J. O'Donnell
Clerk of the Legislature
Room 2018, State Capitol
Lincoln, NE 68509

Dear Mr. O'Donnell:

As required by Nebraska Revised Statutes 77-4601, we are transmitting to you our certification of General Fund net receipts for each month of the fiscal year beginning July 1, 2021. The attached table titled "Monthly Consensus Estimates" schedules monthly receipt estimates derived from the annual net receipt estimate of the Nebraska Economic Forecasting Advisory Board produced April 29, 2021, adjusted for the revenue impacts from legislation enacted during the 107th Legislature, First Session which was completed on May 27, 2021, and adjusted for an increase in the tax credit under the Nebraska Property Tax Incentive Act (LB1107-2020, Sections 77-6701 to 77-6705) as calculated using actual FY2020-21 General Fund receipts.

Please accept this letter and attachments as the required certification of total annual General Fund net receipts and for each month of the fiscal year beginning July 1, 2021.

Sincerely,



Tony Fulton
Tax Commissioner

Sincerely,



Tom Bergquist
Legislative Fiscal Analyst

General Fund net receipts letter July 2021

Attachment

Nebraska Department of Revenue and Legislative Fiscal Office

Monthly Consensus Estimate of General Fund Receipts Nebraska Economic Advisory Board April 29, 2021

Fiscal Year 2020-2021
(Amounts in Thousands of Dollars)
(Detail may not add to total due to rounding)

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Gross Receipts:													
Sales & Use	241,140	243,516	232,323	236,194	225,434	226,046	271,403	212,767	202,645	242,480	228,346	232,176	2,794,470
Ind Income	123,765	326,724	272,314	122,981	328,415	215,705	212,516	345,957	277,153	395,936	338,755	271,224	3,231,445
Corp Income	13,270	10,160	84,339	20,850	20,810	68,488	14,890	9,161	42,707	63,506	10,418	53,282	411,881
Misc Taxes	12,130	11,490	24,994	10,647	10,518	15,809	14,112	11,874	23,611	43,922	12,062	31,505	222,674
Total Gross	390,305	591,890	613,970	390,672	585,177	526,048	512,921	579,759	546,116	745,844	589,581	588,187	6,660,470
Refunds													
City STX	44,161	45,781	44,257	44,907	49,527	43,587	40,530	53,385	42,206	40,456	48,180	45,954	542,931
Sales & Use	8,405	8,029	8,710	11,291	11,841	19,292	8,940	13,675	14,001	9,661	10,365	9,941	134,151
MV-Highway TF	1,587	1,612	1,621	1,750	1,618	1,607	1,586	1,604	1,588	1,510	1,520	1,520	19,123
HWYFUND	8,092	8,498	8,731	8,246	8,056	8,121	8,643	8,200	7,164	7,457	8,115	8,053	97,376
C&S Turnback	0	1,400	0	0	1,301	3,162	0	1,193	0	0	1,146	0	8,202
Ind Income Tax	21,589	21,172	18,809	28,656	24,347	25,807	17,381	199,075	263,952	185,096	70,208	41,296	917,378
Corp Income Tax	4,665	4,118	7,178	4,177	4,015	8,870	3,665	3,564	10,370	6,932	1,847	2,251	61,652
Misc Taxes	2	2	2	4	2	9	16	2	2	2	2	2	47
Total Refund	88,501	90,612	89,308	99,031	100,707	110,455	80,761	280,698	339,283	251,104	141,383	109,017	1,780,860
Net Receipts													
Sales & Use	178,895	178,196	169,004	170,000	153,091	150,277	211,704	134,710	137,686	183,396	159,020	166,708	1,992,687
Ind Income	102,176	305,552	253,505	94,325	304,068	189,898	195,135	146,882	13,201	210,850	268,547	229,928	2,314,067
Corp Income	8,605	6,042	77,161	16,673	16,795	59,618	11,225	5,597	32,337	56,574	8,571	51,091	350,229
Misc Taxes	12,128	11,488	24,992	10,643	10,516	15,800	14,096	11,872	23,609	43,920	12,060	31,503	222,627
Total Net	301,804	501,278	524,662	291,641	484,470	415,593	432,160	299,061	206,833	494,740	448,198	479,170	4,879,610

July 2021 Certification

	Actual FY2020-21	CERTIFIED FY2021-22	NEFAB FY2022-23	LFO Prelim FY2023-24	LFO Prelim FY2024-25
<u>NEFAB Forecast - April 2021</u>					
Sales and Use Tax	2,009,748,270	2,005,000,000	2,145,000,000	2,210,000,000	2,272,000,000
Individual Income Tax	3,130,599,324	2,480,000,000	2,670,000,000	2,805,000,000	3,077,000,000
Corporate Income Tax	571,220,324	400,000,000	368,000,000	355,000,000	387,000,000
Miscellaneous receipts	247,474,510	195,000,000	185,000,000	200,000,000	190,000,000
Total GF Revenues - NEFAB Ajpril 2021	5,959,042,428	5,080,000,000	5,368,000,000	5,570,000,000	5,926,000,000
<u>2021 Session Legislation</u>					
Sales and Use Tax	0	(12,313,000)	(25,205,680)	(28,702,320)	(31,094,080)
Individual Income Tax	0	(23,792,000)	(50,229,970)	(66,477,530)	(90,237,070)
Corporate Income Tax	0	(2,391,000)	(10,018,350)	(20,799,150)	(34,621,850)
Miscellaneous receipts	0	27,627,134	34,332,872	(4,228,044)	(3,456,252)
Total 2021 Session Legislation	0	(10,868,866)	(51,121,128)	(120,207,044)	(159,409,252)
<u>Adjust LB1107 Tax Credit per FY21 Actual</u>					
Individual Income Tax	0	(142,140,911)	(142,140,911)	(117,211,954)	0
Corporate Income Tax	0	(47,380,304)	(47,380,304)	(39,070,651)	0
Adjust LB1107 tax credit (See below)	0	(189,521,215)	(189,521,215)	(156,282,605)	0
<u>Total GF Revenues - July 2021 Certification</u>					
Sales and Use Tax	2,009,748,270	1,992,687,000	2,119,794,320	2,181,297,680	2,240,905,920
Individual Income Tax	3,130,599,324	2,314,067,089	2,477,629,119	2,621,310,516	2,986,762,930
Corporate Income Tax	571,220,324	350,228,696	310,601,346	295,130,199	352,378,150
Miscellaneous receipts	247,474,510	222,627,134	219,332,872	195,771,956	186,543,748
Total GF Revenues - FY21-22 certification	5,959,042,428	4,879,609,919	5,127,357,657	5,293,510,351	5,766,590,748

2021 Session Bills

	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
LB 18 ImagiNE NE Act, employees and qualified locations	0	0	(78,680)	(159,320)	(171,080)
LB 18 ImagiNE NE Act, employees and qualified locations	0	0	(103,970)	(210,530)	(226,070)
LB 18 ImagiNE NE Act, employees and qualified locations	0	0	(98,350)	(199,150)	(213,850)
LB 26 Sales tax exemption, residential water service	0	(4,586,000)	(7,839,000)	(8,574,000)	(9,175,000)
LB 39 Change, Sports Arena Facility Financing Assistance Act	0	0	(1,000,000)	(2,000,000)	(3,000,000)
LB 64 Change taxation of social security benefits (10 yr phase)	0	(15,098,000)	(28,602,000)	(42,403,000)	(57,448,000)
LB 84 Redefine terms performance audits and the ImagiNE Act	0	future rev loss	future rev loss	future rev loss	future rev loss
LB 274 Promotional farmers market special designated license	0	(1,659,823)	(954,085)	(219,044)	552,748
LB 302 Changes, admin license revocation DMV	0	(9,000)	(9,000)	(9,000)	(9,000)
LB 366 Change, Nebr Advantage Microenterprise Tax Credit Act	0	(200,000)	(200,000)	(1,400,000)	(1,400,000)
LB 387 Changes, taxation of military retirement	0	(7,976,000)	(19,576,000)	(20,638,000)	(21,758,000)
LB 432 Income tax changes, corporate rate	0	0	(453,000)	(457,000)	(462,000)
LB 432 Income tax changes, corporate rate	0	(1,901,000)	(8,695,000)	(19,305,000)	(25,543,000)
LB 544 Urban Redevelopment Act	0	(392,000)	(980,000)	(1,036,000)	(1,092,000)
LB 544 Urban Redevelopment Act	0	(518,000)	(1,295,000)	(1,369,000)	(1,443,000)
LB 544 Urban Redevelopment Act	0	(490,000)	(1,225,000)	(1,295,000)	(1,365,000)
LB 595 Sales tax exemption, manufacturing ethyl alcohol	0	(7,335,000)	(15,308,000)	(16,933,000)	(17,656,000)
LB 664 Change distribution, Mutual Finance Assistance Fund	0	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
LB 682 Changes, New Markets Job Growth Investment Act	0	0	0	0	(7,500,000)
LB 682 Changes, New Markets Job Growth Investment Act	0	0	0	0	(7,500,000)
Total-Revenue Legislation by Bill	0	(44,164,823)	(90,417,085)	(120,207,044)	(159,409,252)
Cash Fund Transfers-In (LB 380)	0	33,295,957	39,295,957	0	0
Total Revenue Bills to add to NEFAB forecast	0	(10,868,866)	(51,121,128)	(120,207,044)	(159,409,252)

LB 1107 Income Tax Credit for Property Taxes Paid

Calculation of Credit Amount	(1) Gen Fund Actual / Est	(2) % Change over Prior Yr	(3) \$ above 3.5% growth	(4) \$ Amt To Credit	(5) Prior Year Credit	(6) Estimated Credit Amt
FY2019-20 Actual	4,939,762,611	--	--	--	--	--
FY2020-21 Actual	5,959,042,429	20.6%	--	--	--	125,000,000
FY2021-22 NEFAB Adusted	4,879,609,919	-18.1%	846,388,127	423,194,063	125,000,000	548,194,063
FY2022-23 NEFAB Adusted	5,127,357,657	5.1%	0	0	548,194,063	548,194,063

Cash Reserve Fund Transfer	GF Revenue Forecast	\$ Amount > Certified Certified	\$ Amount to Credit	\$ Amount to CRF	CRF balance (after transfer)
FY2020-21	5,959,042,429	5,000,589,000	--	--	412,263,230
FY2021-22	4,879,609,919	4,879,609,919	958,453,429	423,194,063	535,259,366
FY2022-23	5,127,357,657	5,127,357,657	0	0	0

FY2021-22 LB1107 Credit	Individual	Corp	Total
April 2021 NEFAB	269,004,636	89,668,212	358,672,848
Per FY21 Actual Receipts	411,145,547	137,048,516	548,194,063
Adjustment	142,140,911	47,380,304	189,521,215