PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza March 2, 2021 (402)471-0050

LB 432

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22		FY 2022-23				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$60,806						
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$60,806						

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

LB 432 seeks to adjust the individual and corporate income tax rates in Nebraska. LB 432 is a placeholder bill for such changes. Currently, there is no fiscal impact to revenue to be expected as a result of LB 432. Any changes to the rates would impact General Fund revenues.

The Department of Revenue estimates that any change to the individual and corporate income tax rates will necessitate a one-time OCIO charge of \$60,806 to be implemented.

ADMINIS	STRATIVE SEF	RVICES STATE BUDGET DIVISION: REVIEW OF AGENCY 8	& POLT. SUB. RESPONSE			
LB: 432	AM:	AGENCY/POLT. SUB: Department of Revenue				
REVIEWED BY:	Lee Will	DATE: 03/2/2021	PHONE: (402) 471-4175			
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact.						

LB 432 Fiscal Note 2021

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFO:		
Approved by: Tony Fulton		Date Prepared:	red: 3/1/2021 Phone: 471-58				
	FY 202	FY 2021-2022		22-2023	FY 2023-2024		
	<u>Expenditures</u>	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$60,806	Undeterminable	\$0	Undeterminable	\$0	Undeterminable	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$60,806	Undeterminable	\$0	Undeterminable	\$0	Undeterminable	

LB 432 makes the current individual income tax rate effective for taxable years beginning or deemed to begin on or after January 1, 2014 and before January 1, 2022. A new unspecified tax rate for each income bracket for single, married filing jointly, head of household, married filing separately and estates and trust will be effective for taxable years beginning or deemed to begin on or after January 1, 2022.

Section 3 makes the current corporate tax rate effective for taxable years beginning or deemed to begin on or after January 1, 2013 and before January 1, 2022. For taxable years beginning or deemed to begin on or after January 1, 2022 the tax rate is changed to an unspecified percent for the first one hundred thousand dollars of taxable income and an unspecified percent on all taxable income in excess of one hundred thousand dollars. The remainder of LB 432 harmonizes provisions.

The revenue gains or losses due to LB 432 are undeterminable due to the unspecified individual and corporation income tax rates.

Changing the individual and corporation income tax rate will require a one-time programming charge of \$60,806 paid to the OCIO for mainframe programing change.

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. \$60,8					\$60,806	\$0	\$0
Capital Improvemen	nts				\$60,806	\$0	\$0
1 otal		•••••	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	\$60,806	\$0	\$0