

Revised to include amendments

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$70,199	(\$5,948,000)		(\$23,278,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$70,199</b>	<b>(\$5,948,000)</b>		<b>(\$23,278,000)</b>

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

LB 432 was amended by AM1150, AM1151, and AM1157, which become the bill.

LB 432 becomes operative January 1, 2022.

**AM 1150:**

AM1150 incorporates the provisions of LB 597 to provide for a \$2000 income tax credit to the parents of a stillborn child. The stillbirth must have occurred after the twentieth week of gestation, and must be considered a future dependent of the parent claiming the credit.

**AM1151:**

AM1151 incorporates an amended version of LB 299 to adopt the Firefighter Cancer Benefits Act. The bill does the following:

Section 2 provides definitions for the Act.

Section 4 allows every rural or suburban fire protection district, airport authority, city, village or nonprofit corporation to choose to provide and maintain enhanced cancer benefits set to a minimum standard established in that section.

Section 5 provides that a combined total of all benefits received by an individual shall not exceed fifty thousand dollars (\$50,000) in a lifetime.

Section 7 requires that a firefighter shall remain eligible for benefits under the Act for sixty months after the formal cessation of the firefighter’s status as a firefighter.

Section 9 requires that claims and benefits received under the Act be reported to the State Fire Marshal. Beginning January 1, 2023, the State Fire Marshal shall submit an annual report to the Legislature and Governor regarding the number of firefighters who have filed claims and/or benefits under the Act.

Section 11 requires federal adjusted gross income to be reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Act, to the extent included in federal adjusted gross income.

Section 12 provides an operative date of January 1, 2022.

AM1151 also incorporates the provisions of LB564. LB564 allows Nebraska Education Savings Plan Trust (NEST) funds to be used for costs incurred while participating in a qualified apprenticeship program.

**AM1157:**

AM1157 incorporates the provisions of LB680 to reduce the top marginal corporate income tax rate from 7.81% to 6.84%.

**Revenue:**

The Department of Revenue estimates the following impact to the General Fund:

- FY21-22: (\$5,948,000)
- FY22-23: (\$23,278,000)
- FY23-24: (\$39,441,000)
- FY24-25: (\$45,102,000)

There is no basis to disagree with these estimates.

**Expenditures:**

The Department of Revenue estimates the need for a one-time OCIO charge of \$70,199 to implement the provisions of LB 350, as amended. There is no basis to disagree with this estimate.



determined that surgery, radiotherapy, or chemotherapy is medically necessary; (ii) There are malignant tumors which are treated by endoscopic procedures alone; or (iii) there are malignant melanomas; and

- (1)(c)
  - (i) A monthly benefit of \$1,500 payable to a firefighter, of which the first payment is made 6 months after total disability and the submission of acceptable proof of disability to the insurance carrier or other payor that the disability is caused by cancer and precludes the firefighter from serving as a firefighter. The benefit will continue for up to 36 consecutive monthly payments.
  - (ii) The monthly benefit is subordinate to any other benefit actually paid to the firefighter solely for disability from any other source, not including private insurance purchased solely by the firefighter, and is limited to the difference between the amount of other pay or benefit and the amount specified in this section.
  - (iii) A firefighter receiving a monthly benefit may be required to have their condition reevaluated. If any reevaluation reveals the person has regained the ability to perform duties as a firefighter, then their monthly benefits will cease the last day of the month of the reevaluation.
  - (iv) If a subsequent reoccurrence of a disability caused by cancer precludes the firefighter from serving as a firefighter, they are entitled to receive any remaining monthly benefits.
- (2) A firefighter is entitled to an additional \$50,000 payment of enhanced cancer death benefits payable to their beneficiary or, if no beneficiary is named, to the firefighter's estate on acceptable proof by a board-certified physician that death resulted from complications associated with cancer.
- (3) Firefighters already provided paid benefits under Neb. Rev. Stat. § 35-1001 are ineligible for benefits under LB 299.

Section 5 provides that the combined total of all benefits received under the \$25,000 and \$6,250 lump sum per diagnosis benefits in Section 4 cannot exceed \$50,000 during the firefighter's lifetime.

For taxable years beginning or deemed to begin on or after January 1, 2022 federal adjusted gross income is reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Act to the extent included in federal adjusted gross income.

LB 432 AM 1151 section 13, retains the provisions of LB 564 which amends Neb. Rev. Stat. § 85-1802 to add certified costs of tuition and fees, books, supplies, and equipment required for costs incurred on or after January 1, 2021, for participation in an apprenticeship program registered and certified with the United States Secretary of Labor under 29 U.S.C. 50, as such section existed on January 1, 2021 to the definition of "qualified higher education expenses."

LB 432 AM 1150 section 10 retains all of the provisions of LB 597 which amends Neb. Rev. Stat. § 77-2715.07 to allow, for taxable years beginning on or after January 1, 2022, a \$2,000 refundable credit against the income tax to the parent of a stillborn child in the year in which the stillbirth occurred. Additional requirements include

filing a fetal death certificate, that the child advanced to at least the 20th week of gestation, and the child would have been a dependent of the individual claiming the credit.

LB 432 AM 1157 section 12 retains the provisions of LB 680 amending Neb. Rev. Stat. § 77-2734.02 to make the current corporate tax rate effective for taxable years beginning or deemed to begin before January 1, 2022. For taxable years beginning or deemed to begin on or after January 1, 2022 the tax rate is changed to 5.58% for the \$100,000 of taxable income and 6.84% on all taxable income in excess of \$100,000.

LB 432 AM 1150 AM 1151 AM 1157 are operative on January 1, 2022.

It is estimated that LB 432 amended by AM 1150 AM 1151 AM 1157 will have the following impact on the General Fund revenues:

FY2020-21	\$	-
FY2021-22	\$	(5,948,000)
FY2022-23	\$	(23,278,000)
FY2023-24	\$	(39,441,000)
FY2024-25	\$	(45,102,000)

LB 432 AM 774 would require a one-time programming charge of \$70,199 paid to the OCIO for mainframe and web development changes. The one-time programming charge includes costs for changing the corporation income tax rate, adding a line to form 1040N, adding a line to Schedule I, and adding a lines to NebFile for the individual income tax filing system.