

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$245,129,000		\$689,833,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$245,129,000		\$689,833,000

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

LB10 would amend the state of Nebraska Individual Income and Corporate Tax rates.

Bracket #	Tax rate	Difference from current Individual Income Tax Rates (all filers)						
		TY24	TY25	TY26	TY27	TY28	TY29	TY30
1	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	3.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Rate Three	0.00%	0.00%	0.46%	1.02%	1.02%	0.56%	0.00%
4	Rate Four	0.00%	1.64%	2.09%	1.85%	1.21%	0.56%	0.00%

The changes to Corporate Tax rates would be as follows:

For taxable years beginning on or after January 1, 2027 and before January 1, 2028 at a rate equal to 5.58% on the first \$100,000 of taxable income and at the rate of 5.84% on all taxable income in excess of \$100,000;
 For taxable years beginning on or after January 1, 2028 and before January 1, 2029, at the rate of 5.20% on all taxable income;
 For taxable years beginning on or after January 1, 2029 and before January 1, 2030, at the rate of 4.55% on all taxable income; and
 For taxable years beginning on or after January 1, 2030, at the rate of 3.99% on all taxable income.

Revenue estimates are as follows:

Fiscal year	INDIVIDUAL INCOME TAX	CORPORATE INCOME TAX
FY2024-25	\$245,129,000	\$-
FY2025-26	\$689,833,000	\$-
FY2026-27	\$835,168,000	\$29,246,000
FY2027-28	\$747,050,000	\$105,921,000
FY2028-29	\$488,871,000	\$151,036,000
FY2029-30	\$180,201,000	\$109,627,000
FY2030-31	\$-	\$43,602,000
FY2031-32	\$-	\$8,355,000

We estimate minimal costs to the Department of Revenue resulting from this legislation.

Due to time constraints, the Department of Revenue was unable to provide an estimate to meet the deadline for publishing prior to hearing. This fiscal note will be updated as needed to provide agency comment if necessary.