John Wiemer August 05, 2024 402-471-0051

## LB 33

## Revision: 01 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised per Response from the Dept. of Revenue

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	24-25	FY 20	)25-26			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$209,495,000)		(\$481,327,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$209,495,000)		(\$481,327,000)			

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

This fiscal note has been updated from the Department of Revenue's (DOR) response based on additional data of the timing of the claiming of the property tax credits connected to this bill each fiscal year.

LB 33 would make changes to the school district property tax credits provided by the Property Tax Incentive Credit Act. For taxable year 2024, the credit percentage would be set so that the total amount of credits would be \$860,700,000. For taxable year 2025, the credit percentage would be set so that the total amount of credits would be \$1,160,700,000. For taxable years 2026 through 2028, the Department of Revenue would set the credit percentage so that the total amount of credits for such taxable years would be the maximum amount of credits allowed in the prior year increased by the allowable growth percentage.

The Department of Revenue (DOR) estimates the following decrease to General Fund revenues as a result of this bill:

- FY25: (\$209,495,000)
- FY26: (\$481,327,000)
- FY27: (\$526,326,000)
- FY28: (\$546,299,000)

The DOR estimates minimal costs to it as a result of this bill.

There is no basis to disagree with these estimates.

ADMIN	IISTRATIVE SERVICE	ES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 33	AM:	AGENCY/POLT. SUB: Depart	AGENCY/POLT. SUB: Department of Revenue		
REVIEWED B	BY: Neil Sullivan	DATE: 8/1/2024	PHONE: (402) 471-4179		
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 33 appears reasonable.					

## LB 0033

## Fiscal Note 2024

State Agency Estimate								
State Agency Name: Department of	Revenue				Date Due LFO:			
Approved by: James R. Kamm		Date Prepared:	07/30/2024		Phone: 471-5896			
	<u>FY 202</u>	FY 2024-2025		FY 2025-2026		FY 2026-2027		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ (209,495,000)		\$ (481,327,000)		\$ (526,326,000)		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ (209,495,000)		\$ (481,327,000)		\$ (526,326,000)		

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LB 33 amends Neb. Rev. Stat. § 77-6703(2) so that in tax year 2024, the maximum refundable credit for school district taxes paid is set at eight hundred sixty million seven hundred thousand dollars and in tax year 2025 is set to one billion one hundred sixty million seven hundred thousand dollars. Before amendment, tax years 2024 and 2025 had maximum credit amounts which would be adjusted by the allowable growth percentage of the previous year's maximum amount. For taxable years thereafter, there are no changes.

LB 33 is estimated to have the following impact on the General Fund revenues:

Fiscal Year	GF Revenues
FY2024-25	\$ (209,495,000)
FY2025-26	\$ (481,327,000)
FY2026-27	\$ (526,326,000)
FY2027-28	\$ (546,299,000)

It is estimated that there will be minimal costs to the Department to implement this bill.

The operative date for this bill is three months after the governor's signature.

Major Objects of Expenditure								
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 <u>Expenditures</u>	25-26 <u>Expenditures</u>	26-27 <u>Expenditures</u>	
Benefits	Benefits							
Operating Costs								
Travel								
Capital Outlay								
Capital Improvements								
Total								