

Revised per General File Amendment

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	\$156,000	(\$184,865,000)		(\$130,627,000)
CASH FUNDS	\$750,000,000	\$750,000,000	\$780,000,000	\$780,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$750,156,000	\$565,135,000	\$780,000,000	\$649,373,000

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

LB 34 was amended by AM84 on General File. The details of LB 34, as amended, are discussed below.

The bill would establish the Property Tax Growth Limitation Act.

Under the Act, political subdivisions would be counties, cities, or villages.

Except as otherwise provided in the Act, for fiscal years beginning on or after July 1, 2025, a political subdivision's property tax request for any year could not exceed its property tax request authority. The preliminary property tax request authority for each political subdivision would be the amount of property taxes levied by the county board of equalization pursuant to section 77-1601 for such political subdivision in the prior fiscal year, less the sum of exceptions utilized in the prior year pursuant to section 4 of the bill. In addition to the preliminary property tax request authority, the political subdivision's property tax request authority could be increased in multiple ways as detailed in the bill.

A political subdivision could choose not to increase its total property taxes levied by the full amount of the property tax request authority allowed in a particular year. In such cases, the political subdivision could carry forward to future budget years the amount of unused property tax request authority, but accumulation of unused property tax request authority could not exceed an aggregate of 5% of the total property tax request authority from the prior year.

The Auditor of Public Accounts would need to prepare forms to be used by political subdivisions for the purpose of calculating property tax request authority and unused property tax request authority. Each political subdivision would calculate such amounts and submit the forms to the auditor on or before September 30 of each year. If a political subdivision fails to submit such forms to the auditor or if the auditor determines from such forms that a political subdivision is not complying with the limits provided in the Act, the auditor would notify the political subdivision and the State Treasurer of the noncompliance. The State Treasurer would then suspend distribution of state aid allocated to the political subdivision until the political subdivision complies. The funds would be held for six months. If the political subdivision complies within the six-month period, it would receive the suspended funds. If the political subdivision fails to comply within the six-month period, the suspended funds would be forfeited and would be redistributed to other recipients of the state aid or, in the case of homestead exemption reimbursement, returned to the General Fund.

The auditor could adopt and promulgate rules and regulations to carry out the Act.

The bill would establish the School District Property Tax Relief Act.

The Act would apply to tax year 2024 and each tax year after. The total amount of relief granted for each tax year under the Act would be the following:

- Tax year 2024: \$750 million
- Tax year 2025: \$780 million
- Tax year 2026: \$808 million
- Tax year 2027: \$838 million
- Tax year 2028: \$870 million
- Tax year 2029: \$902 million
- Tax year 2030 and each tax year after: The total amount of relief from the prior year increased by 3%

The relief would be in the form of property tax credits which appear on property tax statements. Property tax credits granted would be credited against the amount of property taxes owed to school districts.

The State Treasurer would transfer the tax year 2024 relief amount from the General Fund to the School District Property Tax Relief Credit Fund in FY25. In future fiscal years, it would be the intent of the Legislature that the relief amount would be transferred from the General Fund to the School District Property Tax Relief Credit Fund.

To determine the amount of the property tax credit for each parcel, the county treasurer would multiply the amount disbursed to the county by the ratio of the school district taxes levied in the prior year on the parcel to the school district taxes levied in the prior year on all real property in the county. The amount so determined would be the property tax credit for that parcel.

The amount disbursed to each county would be equal to the amount available for disbursement multiplied by the ratio of the school district taxes levied in the prior year on all real property in the county to the school district taxes levied in the prior year on all real property in the state. The disbursements to the counties would occur in two equal payments, the first on or before January 31 and the second on or before April 1.

The county treasurer would disburse amounts received, which are credited against the amount of property taxes owed to school districts, in the same manner as if such funds had been received in the form of property tax payments for property taxes owed to school districts, meaning any amounts attributable to divided taxes pursuant to section 18-2147 of the Community Development Law would be remitted to the applicable authority for which such taxes were divided.

The School District Property Tax Relief Credit Fund would be used for purposes of making the disbursements to counties.

If the real property owner qualifies for a homestead exemption, the owner would also be qualified for this property tax credit to the extent of any remaining liability after calculation of the homestead exemption. If the property tax credit results in a property tax liability on the homestead that is less than zero, the amount of the credit which cannot be used by the taxpayer would be returned to the Property Tax Administrator by July 1 of the year the amount disbursed to the county was disbursed. The Property Tax Administrator would immediately credit any funds returned to the School District Property Tax Relief Credit Fund.

This part of the bill would change section 77-4602 and add a subsection that would apply on and after July 1, 2025. This subsection would provide that if the actual General Fund net receipts for the most recently completed fiscal year exceed estimated General Fund net receipts for such fiscal year, the Tax Commissioner would certify the excess amount to the State Treasurer. The State Treasurer would transfer the excess amount to the Cash Reserve Fund, except that if actual General Fund net receipts for the most recently completed fiscal year exceed 103% of actual General Fund net receipts for the previous fiscal year, the transfer would be modified as follows:

- The amount transferred to the Cash Reserve Fund would be reduced by the excess amount calculated and such excess amount would be transferred to the School District Property Tax Relief Credit Fund.

The bill would make changes to the Nebraska Property Tax Incentive Act. The bill would remove the definition of allowable growth percentage from the Act and sunset the school district property tax credit under the Act so it only applies to tax years before 2024.

The bill would remove language placing a limit on a transfer occurring regarding the Nebraska Transformational Project Fund before the total amount of refundable credits granted annually under the Nebraska Property Tax Incentive Act reach \$375 million.

The bill contains the emergency clause.

The Department of Revenue (DOR) estimates an increase to General Fund revenues as a result of sunseting the Nebraska Property Tax Incentive Act and a decrease to General Fund revenues as a result of money transferred into the School District Property Tax Relief Credit Fund from the General Fund. This money transferred into the School District Property Tax Relief Credit Fund is estimated to be expended out of that Fund. These estimates by the DOR are in the table below.

	<i>Sunset of Nebraska Property Tax Incentive Act</i>	<i>School District Property Tax Relief Act</i>	<i>Net GF Revenues</i>
FY25	\$ 565,135,000	\$ (750,000,000)	\$ (184,865,000)
FY26	\$ 649,373,000	\$ (780,000,000)	\$ (130,627,000)
FY27	\$ 674,016,000	\$ (808,000,000)	\$ (133,984,000)
FY28	\$ 699,593,000	\$ (838,000,000)	\$ (138,407,000)
FY29	\$ 726,141,000	\$ (870,000,000)	\$ (143,859,000)
FY30	\$ 821,196,000	\$ (902,000,000)	\$ (80,804,000)
FY 31	\$ 859,859,000	\$ (929,060,000)	\$ (69,201,000)

Additionally, the DOR estimates a one-time programming cost of \$165,652 to be paid to the Office of the Chief Information Officer (OCIO) as a result of this bill.

We agree with these estimates by the DOR, except that we estimate \$156,000 for the DOR to pay the OCIO as a result of changes under this bill.

The Nebraska Auditor of Public Accounts estimates that the responsibilities for it under this bill could be covered with current staffing levels. There is no basis to disagree with this estimate.

The State Treasurer's Office estimates no fiscal impact to it as a result of the bill. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials (NACO) estimates a possible increase in costs for counties for software updates and additional time and supplies for implementing the School District Property Tax Relief Act. Also, NACO notes that county treasurers would be required to calculate and distribute relief to schools under that Act without a mechanism to fund counties for their work and expenses associated with software adjustments and other requirements. And, without the retention of currently retained commissions for distribution of the funds to schools, these expenses would possibly result in a shift to property taxes, cuts to services, the inability to fulfill state and federal mandates or a combination of these options. Additionally, NACO estimates that changes to tax statements under the bill would require costs for additional software programming and possibly for production of statements.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 34	AM: 84	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY:	Jacob Leaver	DATE: 8/14/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the State Treasurer's estimate of no fiscal impact as a result of LB 34 AM 84.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 34	AM: 84	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY:	Jacob Leaver	DATE: 8/14/2024	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Nebraska Association of County Officials explanation of the potential fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 34	AM: 84	AGENCY/POLT. SUB: Douglas County	
REVIEWED BY:	Jacob Leaver	DATE: 8/14/2024	PHONE: (402) 471-4173
COMMENTS: No basis to dispute Douglas County's explanation of the potential fiscal impact as a result of LB 34 AM 84.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 34	AM: 84	AGENCY/POLT. SUB: Nebraska Auditor of Public Accounts	
REVIEWED BY:	Jacob Leaver	DATE: 8/14/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Auditor of Public Accounts estimate of no fiscal impact as a result of LB 34 AM 84.			

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ 34 AM84

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Auditor of Public Accounts

Prepared by: ⁽³⁾ Craig Kubicek Date Prepared: ⁽⁴⁾ 8/14/24 Phone: ⁽⁵⁾ 402-326-3063

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$0		\$0	
CASH FUNDS	\$0		\$0	
FEDERAL FUNDS	\$0		\$0	
OTHER FUNDS	\$0		\$0	
TOTAL FUNDS	\$0		\$0	

Explanation of Estimate:

This would require staff time to update the budget forms and monitoring; however, we would plan to cover under current staffing levels.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines.

2024
1st Special Session

AM84/LB34(1) Change the method of assessment of real property

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Douglas County

Prepared by: (3) Marcos San Martin, County Admin. Date 8/14/2024 Phone: (5) 402-444-5116
Lori Pirsch, County Finance Prepared: (4) 402-444-6881

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with columns: FY 2024-25 EXPENDITURES, FY 2024-25 REVENUE, FY 2025-26 EXPENDITURES, FY 2025-26 REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, TOTAL FUNDS.

Explanation of Estimate:

AM84/LB34 would have a NEGATIVE (detrimental) fiscal impact on Douglas County.

AM84/LB34 includes text that limits local governments' annual property tax authority for all non-public safety functions to the greater of either zero percent, or the SLCEA inflationary index indicator percentage change.

Under the terms of AM84/LB34, any increased costs beyond the bill's budget growth allowance provisions, will likely come at the sacrifice of non-mandated, yet essential and relied-upon services to Douglas County residents.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

Table with columns: POSITION TITLE, NUMBER OF POSITIONS (24-25, 25-26), 2024-25 EXPENDITURES, 2025-26 EXPENDITURES. Rows include Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, TOTAL.

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ Special Session LB34, AM84

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 8/14/2024

Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB34, AM84 would become the bill and would create the Property Tax Growth Limitation Act (the Act – sections 1-8) that would apply to counties, cities and villages. On and after, July 1, 2025, the Act would place limits on the covered political subdivisions by prohibiting a political subdivision’s property tax request from exceeding the preliminary property tax request authority (amount of property taxes levied by the county board of equalization for the political subdivision in the prior fiscal year) plus the property tax request may be increased by:

- The amount of property taxes levied in the prior year increased by the political subdivision's growth percentage, less the sum of exceptions utilized in the prior year; and
- The greater of 0% or the inflation percentage. (section 3).

A county may increase its property tax request authority over the amount determined under section 3 of this act by:

- The amount of property taxes budgeted for approved bonds;
- The amount of property taxes needed to respond to an emergency declared in the preceding year, as certified to the auditor;
- The amount of unused property tax request authority determined in section 6 of this act;
- The amount of property taxes budgeted in support of (a) a service relating to an imminent and significant threat to public safety or public health that (i) was not previously provided by the political subdivision and (ii) is the subject of an agreement or a modification of an existing agreement executed after the operative date of this act, whether provided by one of the parties to the agreement or by an independent joint entity or joint public agency or (b) an interlocal agreement relating to public safety;
- The increase in property tax request authority approved by the legal voters; and
- The amount of property taxes budgeted for public safety services; and
- The amount of property taxes budgeted for county attorneys and public defenders. (Section 4).

A county may increase its property tax request if such request is approved by a majority of legal voters. (Section 5).

A county may choose not to increase its total property taxes levied by the full amount of the property tax request authority allowed in a particular year. In such cases, the county may carry forward to future budget years the amount of unused property tax request authority, but accumulation of unused property tax request

authority shall not exceed an aggregate of five percent of the total property tax request authority from the prior year. (section 6)

Sections 9 to 13 of LB34, AM84 would create the School District Property Tax Relief Act. The Act would apply to tax year 2024 and each tax year following. To determine the amount of property tax credit, county treasurers would be required to perform calculations and disburse payments. A possible increase in costs would be incurred by counties for providing software updates and additional time and supplies for implementing the requirements of the School District Property Tax Relief Act. Homestead exemptions would also be factored in the calculation or relief with counties receiving reimbursement payments by the State for property qualifying for a homestead exemption.

Within the School District Property Tax Relief Act, county treasurers would be required to calculate and distribute \$780 million of relief to schools without a mechanism to fund counties for their work and expenses associated with software adjustments and other requirements. And, without the retention currently retained commissions for distribution of the funds to schools, these expenses will possibly result in a shift to property taxes, cuts to services, the inability to fulfill state and federal mandates or a combination of these options.

Additional changes made by LB34, AM84 would be to add or eliminate several provisions within the revenue and taxation statutes, including but not limited to:

- Sections 14 and 15 would remove counties from the Budget Act on July 1, 2025; and other sections of the amendment would remove references to restricted funds;
- removes references to restricted funds (sections 16, 18 and 19);
- removes the restricted fund provision related to the ability of counties to seek reimbursement for indigent defense from the Commission on Public Advocacy (sections 17);
- modify provisions related to the Property Tax Request Act to incorporate School District Property Tax Limitation Act and the Property Tax Growth Limitation Act (Sections 20, 21)
- require tax statements to include the amount of taxes due to fund public safety services, county attorneys, and public defenders. Such requirements will require additional software programming and costs for perhaps larger papers and calculations. In 2021, counties produced 716,545 tax statements. Imposing just an additional cost of \$.02 for reproducing the statements would equate to more than an additional \$14,000 (section 22);

The amendment contains a cap on growth for counties and cities of 0% or the State & Local Consumption Expenditures and Gross Investment index, plus growth. This would impact:

- 18 plus counties that had growth last year of 0.25% or less,
- 48 counties had growth of 0.5% or less, and
- 78 counties had less than 1% growth.

Also, growth tends to fluctuate for smaller populated counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				

TOTAL.....

State Agency Estimate

State Agency Name: Department of Revenue	Date Prepared: 08/14/2024				Date Due LFO:	
Approved by: James R. Kamm	Date Prepared: 08/14/2024				Phone: 471-5896	
	FY 2024-2025		FY 2025-2026		FY 2026-2027	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$165,652	\$(184,865,000)		\$(130,627,000)		\$(133,984,000)
Cash Funds	\$750,000,000	\$750,000,000	\$780,000,000	\$780,000,000	\$808,000,000	\$808,000,000
Federal Funds						
Other Funds						
Total Funds	\$750,165,652	\$565,135,000	\$780,000,000	\$649,373,000	\$808,000,000	\$674,016,000

Section 1 through 8 of AM 84 to LB 34 is the Property Tax Growth Limitation Act. For fiscal years beginning on or after July 1, 2025, the Property Tax Growth Limitation Act curtails increases in property taxes by prohibiting a political subdivision’s property tax request from exceeding its property tax request authority (the amount a political subdivision can request pursuant to this act). Each Political subdivision starts with a preliminary property tax request authority that is equal to the amount of taxes levied for that political subdivision in the prior fiscal year.

In addition to this preliminary property tax request authority, political subdivision’s property tax request authority can be increased by using the following formula:

- Amount Property Tax Request Authority can be Increased = [(Property taxes levied for the political subdivision in the prior year multiplied by the political subdivision’s growth percentage) minus exceptions used by the political subdivision in the prior year for approved bonds and amount needed to respond to emergencies] multiplied by (the greater of 0 or the inflation percentage.)
- Growth Percentage = a political subdivision’s growth value divided by a political subdivision’s total property valuation from the prior year;

Growth Value is defined as increases in a political subdivision’s total property valuation due to 1) improvements in the form of new construction and additions to existing buildings, 2) other improvements that increase real property value, 3) annexation, 4) use change of real property, and 5) increases in personal property over the prior year. This type of growth is usually referred to as “real growth”.

There are seven exceptions to the prohibition of a political subdivision’s property tax request exceeding its property tax request authority. These exceptions include the budgeted increase of property taxes for 1) approved bonds, 2) declared emergencies, 3) unused property tax request authority, 4) imminent and significant public safety threat, 5) increases in property tax request authority approved by legal voters, and 6) public safety services, and 7) county attorneys and public defenders.

Major Objects of Expenditure

Class Code	Classification Title	24-25 FTE	25-26 FTE	26-27 FTE	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
	Benefits.....						
	Operating Costs.....				\$165,652		
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....				\$165,652		

Political subdivisions will calculate their property tax request authority and unused property tax request authority and submit such amounts to the state auditor on or before September 15th 30th starting in 2025. Failure to do so will result in state aid to the political subdivision being suspended or ultimately forfeited if not submitted by the political subdivision within 6 months of the September 15th 30th due date.

Sections 9 to 13 are the School District Property Tax Relief Act (SDPTRA). The SDPTRA provides property tax relief to owners of real property in the form of property tax credits against property taxes owed to school districts. The Act defines school district taxes as property taxes levied on real property by a school district or multi-district system, excluding property taxes levied for bonded indebtedness and levied as a limit override approved by voters. These credits will appear on property tax statements.

The State Treasurer will transfer the following amount from the General Fund to the School District Property Tax Relief Credit Fund from which the credits will be distributed:

FY2024-25	\$ 750,000,000
FY2025-26	\$ 780,000,000
FY2026-27	\$ 808,000,000
FY2027-28	\$ 838,000,000
FY2028-29	\$ 870,000,000
FY2029-30	\$ 902,000,000

For fiscal year FY2030-31 and each fiscal year after – the amount transfer is the prior year amount increased by 3 percent.

Under the SDPTRA, for tax years starting with 2024, the property tax relief available is equal to the amounts above until tax year 2030 and each year following where the amount is equal to the previous year’s amount increased by 3 percent.

The amount of property tax credits for each parcel will be determined by the county treasurer as follows: Parcel Property Credit Amount equals the Amount of property tax credits distributed to the county multiplied by (school district taxes levied in the prior year on the parcel divided by school district taxes levied in the prior year on all real property in the county).

If a real property owner qualifies for homestead exemption, then the homestead exemption is first applied against the owner’s property taxes. The property tax amount will then be applied to any remaining property tax liability. If there are unused property tax credits, those amounts will be returned to the Property Tax Administrator (PTA) by July 1 in the year of distribution and credited to the District Property Tax Relief Credit Fund. The county treasurer will file a report with the PTA showing the amount of funds distributed to each school district in the county for the year the funds were return, and the number of unused credits returned.

The PTA will determine by September 15, starting in 2024, the number of credits to be disbursed to each county and certify the same to the State Treasurer and each county. Disbursements will occur in two equal payments; one on or before January 31st and the second on or before April 1st.

County Property Credit Amount equals total of property tax credits available for that year multiplied by (school district taxes levied in the prior year on all real property in the county divided by school district taxes levied in the prior year on all real property in the state). The county treasurer will distribute the credits to school districts as if the credits were property taxes owed to each school district. This means that for purposes of TIF, the amount

of property taxes levied for school districts that would have been remitted to the TIF authority will still be remitted to that authority in the form of credits.

Disbursements to the counties will be made from the School District Property Tax Relief Credit Fund.

Section 26 amends Neb. Rev. Stat. § 77-4602(3) to provide that on and after January 1, 2025:

- Under section 77-4602(3)(b): If the actual General Fund net receipts for the most recently completed fiscal year exceed the estimated General Fund net receipts for such fiscal year, as reported under 77-4602(2), the Tax Commissioner must certify the excess amount to the State Treasurer. The State Treasurer must transfer the excess amount to the Cash Reserve, except as provided in subdivision (3)(c).
- Under Section 77-4602(3)(c): If the actual General Fund net receipts for the most recently completed fiscal year exceed 103 percent of actual General Fund net receipts for the previous fiscal year, the amount transferred to the Cash Reserve shall be:
 - Reduced by the excess amount calculated under (3)(c): and
 - Such excess amount shall be transferred to the School District Property Tax Relief Credit Fund.

Section 28 amends Neb. Rev. Stat. §77-6703 to provide that the refundable income tax credit for school district property taxes paid sunsets and does not apply for taxable years beginning on or after January 1, 2024.

It is estimated LB 34 amended by AM 84 would have the following impact to the General Fund revenues:

FY	GF Revenues Gain (Sunset PTC)	GF Transfer Out	Net GF Revenues
FY2024-25	\$ 565,135,000	\$ (750,000,000)	\$ (184,865,000)
FY2025-26	\$ 649,373,000	\$ (780,000,000)	\$ (130,627,000)
FY2026-27	\$ 674,016,000	\$ (808,000,000)	\$ (133,984,000)
FY2027-28	\$ 699,593,000	\$ (838,000,000)	\$ (138,407,000)
FY2028-29	\$ 726,141,000	\$ (870,000,000)	\$ (143,859,000)
FY2029-30	\$ 821,196,000	\$ (902,000,000)	\$ (80,804,000)
FY2030-31	\$ 859,859,000	\$ (929,060,000)	\$ (69,201,000)

LB 34 AM 84 will require a one-time programming cost of \$165,652 paid to the OCIO for removing a line on the 1040N, NebFile, 1120N, 1041N, 1065N, and other programming changes.

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ 34, AM 84

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ August 14, 2024 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 34, AM 84 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____