

PREPARED BY: David Rippe
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 PHONE: 471-0051

LB 502

Revision: 01

Revised to reflect amendments

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 502 significantly changes the brackets and tax rates for all classes of inheritance tax recipients. As amended, the bill also provides for a penalty for those failing to file. This bill has an operative date of January 1, 2008.

There does not appear to be a material fiscal impact associated with LB 502 at the State level.

IMPACT ON POLITICAL SUBDIVISIONS:

The exempted amount for Class 1 recipients is increased to \$40,000, with all receipts in excess of \$40,000 taxed at 1%.

The exempted amount for Class 2 recipients is increased to \$15,000, with all receipts in excess of \$15,000 taxed at 13%.

The exempted amount for Class 3 recipients is increased to \$10,000, with all receipts in excess of \$10,000 taxed at 18%.

The total amount of inheritance tax currently collected by counties is approximately \$30 million per year. It is estimated that Class 1, Class 2, and Class 3 comprise 42%, 49%, and 9% of total inheritance tax revenues, respectively.

As amended, LB 502 appears to be revenue neutral.