

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

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |                     |                   |                     |
|---|-------------------|---------------------|-------------------|---------------------|
|   | <b>FY 2015-16</b> |                     | <b>FY 2016-17</b> |                     |
|   | EXPENDITURES      | REVENUE             | EXPENDITURES      | REVENUE             |
| GENERAL FUNDS   | \$33,318          |                     | \$0               |                     |
| CASH FUNDS  |                   | \$57,036,000        |                   | \$60,144,000        |
| FEDERAL FUNDS   |                   |                     |                   |                     |
| OTHER FUNDS   |                   |                     |                   |                     |
| <b>TOTAL FUNDS</b>  | <b>\$33,318</b>   | <b>\$57,036,000</b> | <b>\$0</b>        | <b>\$60,144,000</b> |

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

LB 68 amends the Nebraska Revenue Act of 1967 Section 77-2716 and 77-27,132.

Section 77-2716 dealing with adjustments to federal adjusted gross income, is amended to provide that income shall be modified regarding the gain on real estate using the basis of the real estate in the hands of the decedent and not the stepped-up basis allowed under section 1014 or section 2032A of the IRS code.

Section 77-27,132 is amended to provide that the proceeds of the income tax derived from the above section is credited to the Property Tax Credit Cash Fund.

The Department of Revenue estimates the following impact to the Property Tax Credit Cash Fund as a result of LB 68:

|            |              |
|------------|--------------|
| FY2015-16: | \$57,036,000 |
| FY2016-17: | \$60,144,000 |
| FY2017-18: | \$63,168,000 |
| FY2018-19: | \$66,297,000 |

Cost to implement LB include a one-time programming charge of \$33,318 paid to the Office of the CIO to add a line to Form 1040N, Schedule I, as well as to the NebFile system.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.



|                           |  |  |  |  |                 |            |            |
|---------------------------|--|--|--|--|-----------------|------------|------------|
|                           |  |  |  |  |                 |            |            |
| Benefits.....             |  |  |  |  |                 |            |            |
| Operating Costs.....      |  |  |  |  | \$33,318        | \$0        | \$0        |
| Travel.....               |  |  |  |  |                 |            |            |
| Capital Outlay.....       |  |  |  |  |                 |            |            |
| Aid.....                  |  |  |  |  |                 |            |            |
| Capital Improvements..... |  |  |  |  |                 |            |            |
| <b>Total.....</b>         |  |  |  |  | <b>\$33,318</b> | <b>\$0</b> | <b>\$0</b> |