

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	41,309	(18,300,000)	38,831	(18,500,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	41,309	(18,300,000)	38,831	(18,500,000)

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

LB 416 allows for an exclusion of a portion of certain retirement benefits from federal adjusted gross income. The exclusion exists for retirement benefits received under the County Employees Retirement Act, the Judges Retirement Act, the Nebraska State Patrol Retirement Act, the School Employees Retirement Act, the State Employees Retirement Act, the United States civil service retirement system and the United States military employee retirement system. The exclusion is limited to \$24,000 annually for married filing jointly returns where both spouses are receiving such retirement benefits, and \$12,000 annually for all other returns. The bill is operative for tax years beginning January 1, 2007.

Based on the estimated number of recipients and filers, the Department of Revenue estimates the following fiscal impact:

<u>Fiscal Year</u>	<u>Revenue</u>
2007-08	(18,300,000)
2008-09	(18,500,000)

The Department of Revenue estimates the following costs associated with the implementation of LB 416:

<u>Expense Items</u>	<u>FY08</u>	<u>FY09</u>
Revenue Operations Analyst II (0.5 FTE)	13,220	13,617
Revenue Agent (0.5 FTE)	15,132	15,579
Benefits	9,357	9,635
Operating Expenses	3,600	
Total	41,309	38,831

IMPACT ON POLITICAL SUBDIVISIONS: This bill does not appear to have a material fiscal impact on political subdivisions.