

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(22,730,000)		(6,510,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(22,730,000)		(6,510,000)

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

LB 1038 changes the way in which income from state and local obligations is taxed in Nebraska for obligations of this state issued on or after January 1, 2009.

According to the Department of Revenue, all bonds issued after January 1, 2009 , including Nebraska bonds, the income will be added back. All bonds from any state issued before 2009 would be exempt.

The Department of Revenue estimates the following General Fund revenue losses. There is no basis to disagree with these estimates.

<b>Fiscal Year</b>	<b>General Fund Revenue Loss</b>
FY2008-09	(\$22,730,000)
FY2009-10	(\$6,510,000)
FY2010-11	(\$6,275,000)
FY2011-12	(\$5,970,000)