

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$35,360,00		\$85,560,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$35,360,00		\$85,560,000

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

LB 276 amends the Nebraska Revenue Act of 1967 regarding income from S corporations and limited liability companies. The bill:

- Eliminates the exclusion for income or loss from out-of-state sources for an S corporation or an LLC from adjusted gross income, or for a fiduciary, federal taxable income;
- Requires Nebraska residents who are shareholders of an S corporation or members of an LLC to include the proportionate share of the corporation or LLC's income in their Nebraska taxable income; and
- Includes fair compensation for services rendered to the company in Nebraska taxable income.

The provisions in the bill apply to tax years beginning on or after January 1, 2020.

Revenue:

The Department of Revenue estimates revenue to the General Fund as follows:

FY19-20	\$35,360,000
FY20-21	\$85,560,000
FY21-22	\$87,280,000
FY22-23	\$89,020,000

Expenditures:

The Department of Revenue estimates minimal cost to implement the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 276	AM:	AGENCY/POLT. SUB: Department of Revenue	
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COMMENTS: No basis to disagree with the Department of Revenue's statement of fiscal impact.			

