

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$69,100	(\$160,246,000)		(\$393,244,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$69,100</b>	<b>(\$160,246,000)</b>		<b>(\$393,244,000)</b>

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

LB 806 amends the Revenue Act of 1967 to provide for a deduction to federal adjusted gross income for the following amounts received:

- Social Security benefits;
- Retirement benefits under a qualified plan under section 401(a) or 403(a) of the IRC of 1986;
- Retirement benefits under the Class V School Employees Retirement Act, the County Employees Retirement Act, the Judges Retirement Act, the Nebraska State Patrol Retirement Act, the School Employees Retirement Act, and the State Employees Retirement Act;
- Retirement benefits under the US Civil Service Retirement System or the Federal Employees Retirement System; and
- Military retirement benefits.

The deduction is applicable for tax years beginning on or after January 1, 2021.

**Revenue:**

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

FY 2019-20	\$0
FY 2020-21	(\$160,264,000)
FY 2021-22	(\$393,244,000)
FY 2022-23	(\$414,257,000)
FY 2023-24	(\$436,198,000)

Based on the data available, this estimate seems reasonable.

**Expenditures:**

The department estimates a one-time cost of \$69,100 to implement the bill. The Nebraska Public Employees Retirement System estimates no cost to implement to the bill.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 806	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 02/03/2020	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 806                      AM:                      AGENCY/POLT. SUB: Nebraska Public Employees Retirement Systems (NPERS)

REVIEWED BY: Lee Will                      DATE: 01/22/2020                      PHONE: (402) 471-4175

COMMENTS: Concur with the NPER's assessment of no fiscal impact to the agency.



Please complete ALL (5) blanks in the first three lines.

**2020**

**LB<sup>(1)</sup> 806**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Employees Retirement Systems

Prepared by: <sup>(3)</sup> Teresa Zulauf Date Prepared: <sup>(4)</sup> January 21, 2020 Phone: <sup>(5)</sup> 402-471-7745

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>0</u>	_____	<u>0</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	_____	<u>0</u>	_____

**Explanation of Estimate:**

No fiscal impact to NPERS Agency 085 operations expenditures.

LB806 exempts retirement benefits from OSERS, the County Plan, the Judges Plan, the State Patrol Plan, the School Plan, and the State Plan from taxation. In addition, it also exempts federal Social Security Act benefits, amounts received from other qualified section 401(a) or 403(a) plans, US Civil Service Retirement Systems, Federal Employees Retirement System, and military retirement benefits from state income tax.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____