

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$104,910	(\$1,020,000)		(\$3,071,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$104,910</b>	<b>(\$1,020,000)</b>		<b>(\$3,071,000)</b>

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

LB 176 seeks to create an income tax credit available to qualifying agricultural producers. Under LB 176, any agricultural producer who qualifies for the Conservation Stewardship Program or the Environmental Quality Incentives Program of the US Department of Agriculture will be able to claim a non-refundable \$2500 credit against their income tax liability.

LB 176 allows for recipients of the tax credit to carry forward the amount to subsequent tax years until the credit is fully utilized.

LB 176 becomes operative January 1, 2022.

**Revenue:**

The Department of Revenue estimates that 2,000 agricultural producers in Nebraska will qualify for the tax credit, and that 45% of the credit will be utilized on the tax year it is received, with the rest carrying over. The impact to General Fund revenues is estimated as follows:

- FY21-22: (\$1,020,000)
- FY22-23: (\$3,071,000)
- FY23-24: (\$4,346,000)
- FY24-25: (\$5,193,000)

There is no basis to disagree with these estimates.

**Expenditures:**

The Department of Revenue estimates a one-time OCIO charge of \$104,910 to implement LB 176.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 176	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 02/02/2021	PHONE: (402) 471-4175	
COMMENTS: The Department of Revenue's assessment of reduced revenue to the General Fund seems reasonable with the bill providing for a nonrefundable income tax credit to agricultural producers that qualify for the two programs noted in the bill under the US Department of Agriculture.			

