

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$5,253	(\$1,864,000)		(\$10,630,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$5,253</b>	<b>(\$1,864,000)</b>		<b>(\$10,630,000)</b>

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

LB 938 seeks to lower the corporate income tax rate. Specifically, LB 938 provides for the reduction of the tax rate on income in excess of \$100,000. LB 938 strikes the intent language enacted by the legislature in the 2021 session.

- For taxable years beginning on Jan 1, 2023, and before Jan 1, 2024: 7.00%
- For taxable years beginning on Jan 1, 2024, and before Jan 1, 2025: 6.50%
- For taxable years beginning on Jan 1, 2025, and before Jan 1, 2026: 6.14%
- For taxable years beginning on Jan 1, 2026, and before Jan 1, 2027: 5.84%

The Department of Revenue estimates the following impact to General Fund revenues:

- FY22-23: (\$1,864,000)
- FY23-24: (\$10,630,000)
- FY24-25: (\$29,280,000)
- FY25-26: (\$53,488,000)

Additionally, the Department of Revenue estimates the need for a one-time OCIO charge of \$5,253 to implement LB 938.

There is no basis to disagree with these estimates.

