

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(\$2,539,000)		(\$5,669,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$2,539,000)		(\$5,669,000)

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

LB 165 seeks to make changes so that for the Nebraska education savings plans qualified higher education expenses are changed in name to qualified education expenses. This bill then changes the definition of the mentioned term to include not only costs for postsecondary education but also for expenses for tuition in connection with enrollment or attendance at an elementary or secondary school with a limit of \$10,000 per beneficiary per taxable year.

Under LB 165, Federal adjusted gross income (FAGI), or federal taxable income, would be reduced to the extent included, by income from interest, earnings, and state contributions received from the Nebraska educational savings plan trust.

The bill would replace the word College with Education for the College Savings Plan Program Fund, the College Savings Plan Expense Fund, and the College Savings Plan Administrative Fund.

The bill would make changes so that assets in or income from an educational savings account, a Coverdell educational savings account described in 26 U.S.C. 530, a qualified tuition program established pursuant to 26 U.S.C. 529, or any similar savings account or plan established to save for qualified education expenses as defined in the bill would not be included as assets or income to determine eligibility for the program for aid to dependent children pursuant to section 43-512 as administered by the state pursuant to the federal Temporary Assistance for Needy Families program, for the low-income home energy assistance program administered by the state pursuant to the federal Energy Policy Act of 2005, for the Supplemental Nutrition Assistance Program administered by the state pursuant to the federal Food and Nutrition Act of 2008, and for the child care subsidy program established pursuant to section 68-1202.

The bill would also remove distributions from an account to pay the costs of attending kindergarten through 12<sup>th</sup> grade as a nonqualified withdrawal.

LB 165 would make changes so that all money in the Department of Revenue Miscellaneous Receipt Fund would only be used to defray the cost of production of the publications listed in section 77-3,109 or of the listings described in section 77-3,118 and to carry out any administrative responsibilities of the department.

LB 165 would become operative January 1, 2024.

The Department of Revenue (DOR) estimates the following reduction to General Fund revenues from this bill:

- FY 23-24: \$2,539,000
- FY 24-25: \$5,669,000
- FY 25-26: \$7,921,000
- FY 26-27: \$7,829,000

The DOR estimates that there will be no costs to implement the bill.

There is no basis to disagree with these estimates by DOR.

The Secretary of State estimates no fiscal impact from this bill. There is no basis to disagree with this estimate.

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

LB: 165                      AM:                      AGENCY/POLT. SUB: Secretary of State

REVIEWED BY: Neil Sullivan                      DATE: 2/24/2023                      PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the Secretary of State assessment of no fiscal impact from LB 165.

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

**2023**

**LB<sup>(1)</sup> 165**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Secretary of State

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 1-10-2023 Phone: <sup>(5)</sup> 402-471-2384

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

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

