

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$159,144			(\$1,750,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	\$159,144			(\$1,750,000)

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

LB 524 seeks to provide a nonrefundable income tax credit for taxable years beginning on or after January 1, 2024 for any grocery store retailer or restaurant that donates food to a food pantry or food bank during the taxable year. The credit would be equal to 50% of the value of the food donations made during the taxable year, not to exceed \$2,500. The donated food would be valued at its wholesale value. Any amount of the credit that the grocery store retailer or restaurant is prohibited from claiming in a taxable year may be carried forward to any of the 3 subsequent taxable years. Any amount relating to such food donations that was subtracted from the grocery store retailer's or restaurant's federal adjusted gross income or federal taxable income would need to be added back in the determination of Nebraska adjusted gross income or Nebraska taxable income before the credit could be claimed.

The cumulative amount of credits that could be allocated to grocery store retailers and restaurants in any one fiscal year could not exceed \$1,750,000. No grocery store retailer or restaurant shall be able to claim more than one of these credits for a single donation. The Tax Commissioner would need to establish a procedure by which the cumulative amount of credits is apportioned among all grocery store retailers and restaurants claiming the credit by April 15 of the fiscal year in which the credit is claimed.

The Department of Revenue (DOR) estimates the following impact to General Fund revenues as a result of this bill:

- FY23-24: \$0
- FY24-25: (\$1,750,000)
- FY25-26: (\$1,750,000)
- FY26-27: (\$1,750,000)

The DOR estimates a need for a one-time programming charge of \$159,144 to be paid to the Office of the Chief Information Officer (OCIO).

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 524	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 3/20/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 524.		

