

Updated for the 2010 Session; includes any amendments adopted to date.

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$73,500)		(\$75,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$73,500)		(\$75,000)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 112 provides that for taxable years beginning on or after January 1, 2009, federal adjusted gross income used to calculate Nebraska income tax shall be reduced by loan repayments paid under the Rural Health Systems and Professional Incentive Act to the extent that such repayments are included in the federal adjusted gross income for federal income tax purposes.

The Rural Health Systems and Professional Incentive Act established two programs to offer financial incentives to health professionals to practice in a designated medical profession shortage area in Nebraska. One program is a student loan program to provide financial incentives to medical, dental, mental health, and physician assistant students. The other program is a loan repayment program, which requires community matching funds, to provide financial incentives to eligible licensed health professionals.

LB 112 applies to the loan repayment program for eligible licensed health professionals. The loan repayment, when received by the eligible health professional, constitutes taxable income under federal law and, therefore, is also subject to Nebraska income tax.

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

FY2010-11:	(\$73,500)
FY2011-12:	(\$75,000)
FY2012-13:	(\$76,500)

The Department estimates minimal implementation costs.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

IMPACT TO POLITICAL SUBDIVISIONS:

There appears to be no fiscal impact to political subdivisions associated with this bill,