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 DATE PREPARED: February 20, 2007  
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**LB 687**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2007-08</b>		<b>FY 2008-09</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$15,820,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$15,820,000	

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

LB 687 removes “social security or railroad retirement benefits that are excluded in the computation of gross income for federal income tax purposes” from the list of income to be included as household income for Homestead Exemption purposes. The bill is effective for applications filed in 2008

It is estimated that excluding the aforementioned sources of income will increase the expenditures for the Homestead Exemption Program by \$15,820,000 in FY09 and \$16,140,000 in FY10. These additional expenses would represent an increase in program expenditures of approximately 22%.

Implementation costs for this bill are immaterial.

IMPACT ON POLITICAL SUBDIVISIONS: This bill does not appear to have a material fiscal impact on political subdivisions.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/20/07	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: The agency analysis appears reasonable.					