

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$126,597		\$25,100	(\$37,103,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$126,597		\$25,100	(\$37,103,000)

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

LB 937 would adopt the Caregiver Tax Credit Act. Under the Act, for all taxable years beginning on or after January 1, 2025 there would be allowed a nonrefundable income tax credit for any family caregiver who incurs eligible expenditures for the care and support of an eligible family member. The amount of the credit would be equal to 50% of the eligible expenditures incurred during the taxable year by a family caregiver for the care and support of an eligible family member. Any amount of the credit unused could not be carried forward. The maximum allowable credit in any single tax year for a family caregiver would be \$2,000 unless the eligible family member is a veteran or has a diagnosis of dementia in which case the maximum allowable credit would be \$3,000. If two or more family caregivers would claim the tax credit for the same eligible family member, the maximum allowable credit would be allocated in equal amounts between each of the family caregivers.

The Department of Revenue (DOR) could adopt and promulgate rules and regulations necessary to carry out the Act.

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

Fiscal Year	General Fund Revenues
FY2025-26	(\$37,103,000)
FY2026-27	(\$43,303,000)
FY2027-28	(\$48,266,000)
FY2028-29	(\$50,657,000)

The DOR also estimates a one-time programming charge to be paid to the Office of the Chief Information Officer (OCIO) in the amount of \$96,497 and a need for 0.5 FTE Revenue Operations Clerk II as a result of the bill.

There is no basis to disagree with these estimates. However, the DOR does not assume any salary or benefits increases for FY25-26 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	937	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue	
REVIEWED BY:	Ann Linneman	DATE:	1-23-2024	PHONE: (402) 471-4180
COMMENTS: The Nebraska Department of Revenue's assessment of no fiscal impact seems reasonable given the assumptions used.				

- (iii) Other paid or incurred expenses by the family caregiver that assist the family caregiver in providing care to an eligible family member such as expenditures related to: (A) hiring a home care aide; (B) respite care;(C) adult day care; (D) personal care attendants; (E) Health care equipment; and (F) technology.

The eligible expenditure must be directly related to assisting the family caregiver in providing care to an eligible family member. Eligible expenditure does not include carrying out general household maintenance activities, such as painting, plumbing, electrical repairs, or exterior maintenance.

The Department of Revenue (DOR) may adopt and promulgate rules and regulations necessary to carry out the Act.

The estimated fiscal impact to the General Fund revenues would be as follows:

Fiscal Year	General Fund Revenues
FY2025-26	(\$37,103,000)
FY2026-27	(\$43,303,000)
FY2027-28	(\$48,266,000)
FY2028-29	(\$50,657,000)

LB 937 will require a one-time programming charge of \$96,497 paid to the OCIO for adding a new schedule and a line to 1040N and for mainframe and web development cost. The DOR also needs to a hire 0.5 FTE of Revenue Operation Clerk II for the implement of LB 937.