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TAX COMMISSIONER COMMENTS ON MARCH INDIVIDUAL INCOME TAX RECEIPTS

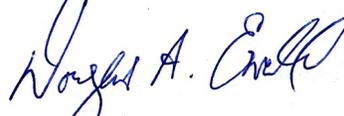
LINCOLN – I issued a press release earlier today reporting the March General Fund receipts. Total net receipts in March were \$27.2 million above the Nebraska Economic Forecasting Advisory Board's (Board) recently revised forecast: receipts for individual income taxes looked strong and were \$30.6 million over the Board's revised forecast. Of this, receipts were greater than the forecasted amount by \$9 million, and refunds were \$21.7 million below forecast.

While the news on net receipts is good for March, I am concerned there may be more individual income tax refunds issued in April than is typical. Because of late changes in the federal tax code, the IRS was not able to process some electronic returns before mid-February. This delay may increase the number of refunds issued in April. April receipts can be highly variable, and include final payments for non-wage income, including 2010 capital gains and small business profits, and estimated payments for the first quarter of 2011. The reporting of this income often results in large swings, positive and negative, from the April forecast.

The Board will meet again on April 28 to consider revisions to the FY2010-11 forecast, and set the forecast for the next biennial budget. I will have a better idea of where April receipts are by the time the Board meets. Upward revisions to the current year's forecast do not necessarily translate into increases in the next years' forecasts. Revenue forecasts for the next biennium are based not only on past revenues, but on the future economic outlook for the Nebraska and U.S. economy.

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APPROVED:



Douglas A. Ewald
Tax Commissioner