Doug Gibbs March 06, 2012 402-471-0051

LB 40

Revision: 02

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to correct fiscal years and reflect amendments

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	ESTIMATE OF FIS	SCAL IMPACT – STAT	TE AGENCIES *		
	FY 201	2-13	FY 2013-14		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS		(\$2,290,000)		(\$2,558,182)	
CASH FUNDS		\$0		(\$103,545)	
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS		(\$2,290,000)		(\$2,661,727)	

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

LB 40 amends Nebraska Revised Statute Section 77-2704.12, regarding sales and use tax exemptions for nonprofit health clinics.

Under current language there are two requirements for nonprofit health clinics that must be met in order to receive the sales and use tax exemption. First, they must be owned by two or more hospitals or the parent corporations of the hospitals own or control the health clinic for the purpose of reducing the cost of health services or when the health clinic receives federal funds through the U.S. Public Health Service for the purpose of serving populations that are medically underserved. Second, the health clinic must be licensed under the Health Care Facility Licensure Act.

The bill amends Section 77-2704.12 to change the ownership requirement from owned by two or more hospitals, etc. to owned by one or more hospitals, etc. The second requirement, that the clinic must be licensed under the Health Care Facility Licensure Act, remains in place.

As amended by AM 1519 the bill now has an operative date of July 1, 2012. As amended by AM1760 the bill now contains the emergency clause.

The Department of Revenue estimates the following fiscal impact as a result of LB 40:

State Highway

General Fund: Capital Improvement Fund:

FY2012-13: (\$ 2,290,000) \$ 0 FY2013-14: (\$ 2,558,182) (\$103,545) FY2014-15: (\$ 2,710,909) (\$109,727)

The Department indicates that the cost to implement LB 40 would be minimal.

There is no basis to disagree with the Department of Revenue estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

We estimate the following fiscal impact to the Highway Allocation Fund:

FY2012-13: \$ 0 FY2013-14: (\$ 18,273) FY2014-15: (\$ 19,364)

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LB 40

LEGISLATIVE FISCAL

Fiscal Note

2012

		State Agency	Estimate	_		
State Agency Name: Department of	of Revenue				Date Due LFA:	12/1/2011
Approved by: Douglas Ewald		Date Prepared:	11/22/2011		Phone: 471-5700	
	FY 2012-2013		FY 2013-2014		FY 2014-2015	
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds		(\$ 2,290,000)		(\$ 2,680,000)		(\$ 2,840,000)
Cash Funds						
Federal Funds						
Other Funds				<u>-</u>		
Total Funds		(\$ 2,290,000)		(\$ 2,680,000)		(\$ 2,840,000)

LB 40 provides a sales tax exemption for any nonprofit health clinic when one or more hospitals, or the parent corporations of the hospitals, own or control the health clinic for the purpose of reducing the cost of health services, or when the health clinic receives federal funds through the United States Public Health Service for the purpose of serving populations that are medically underserved.

Currently a sales tax exemption is provided for any nonprofit health clinic when two or more hospitals, or the parent corporations of the hospitals, own or control the health clinic for the purpose of reducing the cost of health services, or when the health clinic receives federal funds through the United States Public Health Service for the purpose of serving populations that are medically underserved.

It is estimated that the costs to the General Fund will be as follows:

FY 2012-13 (\$ 2,290,000)

FY 2013-14 (\$ 2,680,000)

FY 2014-15 (\$ 2,840,000)

It is estimated that the costs to the Department to implement this bill would be minimal.

The operative date for LB 40 is assumed to be July 1, 2012.

Major Objects of Expenditure								
Class Code	Classification Title	12-13 <u>FTE</u>	13-14 <u>FTE</u>	14-15 <u>FTE</u>	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures	
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Capital Outlay								
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