PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 05, 2013 402-471-0051

LB 502

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	3-14	FY 2014-15					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS		\$1,492,000		\$2,711,000				
CASH FUNDS		\$61,000		\$110,000				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		\$1,553,000		\$2,821,000				

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

LB 502 amends the Nebraska Revenue Act of 1967, regarding a sales and use tax exemption.

The bill removes the sales and use tax exemption for health clinics owned by one hospital. The bill would now require that a health clinic be owned by two or more hospitals in order to receive a sales and use tax exemption.

The bill has an operative date of October 1, 2013.

The Department of Revenue estimates the following fiscal impact to the following funds:

		State Highway Capital		
Fiscal Year:	General Fund:	Improvement Fund	Highway Allocation	
		(Cash):	Fund (Local):	Total:
2013-14:	\$ 1,492,000	\$ 61,000	\$ 11,000	\$ 1,564,000
2014-15:	\$ 2,711,000	\$ 110,000	\$ 19,000	\$ 2,840,000
2015-16:	\$ 2,873,000	\$ 116,000	\$ 21,000	\$ 3,010,000
2016-17:	\$ 3,044,000	\$ 123,000	\$ 22,000	\$ 3,189,000

The Department estimates the cost to implement the provisions of LB 502 would be minimal.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The impact to the Highway Allocation Fund is as follows:

FY2013-14: \$ 11,000 FY2014-15: \$ 19,000 FY2015-16: \$ 21,000 FY2016-17: \$ 22,000

LB 502 Fiscal Note 2013

State Agency Estimate								
State Agency Name: Department of	Revenue				Date Due LFA:	3/5/2013		
Approved by: Douglas Ewald		Date Prepared:	3/4/2013		Phone: 471-5896			
	FY 2013-2014		FY 2014-2015		FY 2015-2016			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 1,492,000		\$ 2,711,000		\$ 2,873,000		
Cash Funds		\$ 61,000		\$ 110,000		\$ 116,000		
Federal Funds								
Other Funds		\$ 11,000		\$ 19,000		\$ 21,000		
Total Funds		\$ 1,564,000		\$ 2,840,000		\$ 3,010,000		

LB 502 limits the sales and use tax exemption for nonprofit health clinics to clinics 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. Currently, a health clinic must be owned by at least one hospital or receive federal funds through the United States Public Health Service for the purpose of serving populations that are medically underserved for its purchases to be exempt.

This bill has an operative date of October 1, 2013.

It is estimated that there would be a positive impact to the General Fund and the State Highway Capital Improvement Fund as follows:

	General Fund	State High Improvem	nway Capital ent Fund	High Alloc	way cation Fund	Total
FY 2013-14	\$ 1,492,000	\$	61,000	\$	11,000	\$ 1,564,000
FY 2014-15	\$ 2,711,000	\$	110,000	\$	19,000	\$ 2,840,000
FY 2015-16	\$ 2,873,000	\$	116,000	\$	21,000	\$ 3,010,000
FY 2016-17	\$ 3,044,000	\$	123,000	\$	22,000	\$ 3,189,000

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

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 Expenditures
Capital Outlay					·		
Capital Improvements							
Total				•••••			