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DATE PREPARED: January 31, 2012  
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LB 1080

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$ 1,598,000)		(\$ 3,516,000)
CASH FUNDS		(\$ 65,000)		(\$ 142,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		( \$ 1,663,000)		(\$ 3,658,000)

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

LB 1080 amends Nebraska Revised Statutes relating to revenue and taxation, to provide a personal property tax exemption and a sales and use tax exemption for persons operating a data center. The bill has an operative date of January 1, 2013.

The bill provides that any tangible personal property acquired by a person operating a data center that is assembled, engineered, processed, fabricated, manufactured into, attached to, or incorporated into other tangible personal property, both in component form or an assembled product for the purpose of subsequent use solely outside Nebraska by the person operating a data center is exempt from personal property tax and from sales and use taxes.

A data center is defined by the bill as a group of computers, supporting equipment, and other organized assembly of hardware or software in one or more interrelated physical locations that is designed to centralize the storage, management, or dissemination of data and information.

The Department of Revenue estimates the following fiscal impact as a result of LB 1080:

Fiscal Year:	General Funds:	State Highway Capital Improvement Fund:	Total:
FY2012-13:	(\$ 1,598,000)	(\$ 65,000)	(\$ 1,663,000)
FY2013-14:	(\$ 3,516,000)	(\$ 142,000)	(\$ 3,658,000)
FY2014-15:	(\$ 3,867,000)	(\$ 157,000)	(\$ 4,024,000)

The Department indicates the cost to implement the provisions of LB 1080 to be minimal.

We find no basis to disagree with the Department's estimate of fiscal impact or cost.

### IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue indicates the following fiscal impact to the Highway Allocation Fund:

FY2012-13:	(\$ 11,000)
FY2013-14:	(\$ 25,000)
FY2014-15:	(\$ 28,000)

The Fiscal Analyst finds no basis to disagree with the Department's estimate of fiscal impact.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/1/12	PHONE	471-2526
COMMENTS					
DEPT. OF REVENUE – No basis upon which to disagree.					

