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DATE PREPARED: March 30, 2012
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LB 1080

Revision: 02

Revised due to adoption of amendment on Select File.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$1,663,000)		(\$3,516,000)
CASH FUNDS				(\$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, as amended, changes 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, as amended by AM 2634, now 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 transporting it outside of Nebraska for use outside of Nebraska by the person operating a data center is exempt for personal property tax and from sales and use taxes.

As amended by AM1826, a data center is now defined as computers, supporting equipment, and other organized assembly of hardware or software that are designed to centralize the storage, management, or dissemination of data and information, environmentally controlled structures or facilities or interrelated structures or facilities that provide infrastructure for housing the equipment, such as raised flooring, electricity supply, communication and data lines, Internet access, cooling, security, and fire suppression, and any building housing the foregoing.

The Legislative Fiscal Office estimates for FY2012-13 and the Department of Revenue estimates for FY2013-14 & FY2014-15, the following fiscal impact as a result of LB 1080:

Fiscal Year:	General Funds:	State Highway Capital Improvement Fund:	Total:
FY2012-13:	(\$ 1,663,000)	\$ 0	\$ 0
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:	\$ 0
FY2013-14:	(\$ 25,000)
FY2014-15:	(\$ 28,000)

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