Doug Gibbs February 06, 2012 402-471-0051 LB 1097

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	SCAL IMPACT – STAT	E AGENCIES *	
	FY 201	2-13	FY 20	13-14
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$ 426,000)		(\$ 739,920)
CASH FUNDS				(\$ 5,080)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$ 426,000)		(\$ 745,000)

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

LB 1097 amends Nebraska Revised Statute Section 77-2704.12, dealing with sales and use taxes exemptions.

The bill would provide a sales and use taxes exemption for a nonprofit mental health center licensed under the Health Care Facility Licensure Act.

Section 71-423 defines a mental health center to mean a facility where shelter, food, and counseling, diagnosis, treatment, care, or related services are provided for a period of more than twenty-four consecutive hours to persons residing at such facility who have a mental disease, disorder, or disability.

The bill has an operative date of October 1, 2012.

The Department of Revenue indicates, based on data obtained from the Department of Health and Human Services, that there are 743 beds that reside in nonprofit mental health centers. Annual sales and use taxes per bed on general office expenses and assets, is approximately \$1,000. Based on this information the Department of Revenue estimates the fiscal impact as follows:

		State Highway
Fiscal	General	Capital Improvement
Year:	Fund:	Fund:
FY2012-13:	(\$ 426,000)	\$ 0
FY2013-14:	(\$ 711,137)	(\$ 28,783)
FY2014-15:	(\$ 725,455)	(\$ 29,363)

The Department indicates no costs to implement the provisions of LB 1097.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

## IMPACT TO POLITICAL SUBDIVISIONS:

We estimate the following impact to the Highway Allocation Fund:

FY2012-13:

\$ 0

FY2013-14:

(\$5,080)

FY2014-15:

(\$5,182)

DEPARTMENT	OF ADMINISTRA	ATIVE SERVICES

	REVIEWED BY	Lyn Heaton	DATE 1/8/12	PHONE 471-2526
COMMENTS				
DEPARTMEN <sup>-</sup>	T OF REVENUE: No	basis upon which to disagree.		

Fiscal Note

2012

		State Agency	Estimate,	2012		The second of
State Agency Name: Department	of Revenue		-cG/S	LATIVE FISCAL	Date Due LFA:	2/6/12
Approved by: Douglas Ewald		Date Prepared:	2/2/12	VE FISO	Phone: 471-5700	
	FY 2012	-2013	FY 201.	3-2014	FY 20	<u>)14-2015</u>
	<u>Expenditures</u>	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds		(\$ 426,000)	_ 1.	(\$ 745,000)	,	(\$ 760,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		(\$ 426,000)		(\$ 745,000)		(\$ 760,000)

LB 1097 provides a sales and use tax exemption for purchases made by nonprofit mental health centers licensed under the Health Care Facility Licensure Act.

Data from the Department of Health and Human Services shows that there are 743 beds that reside in nonprofit mental health centers. Annual sales and use taxes per bed, based on general office expenses and assets, is approximately \$1,000. Based on this information it is estimated that the revenue impact to the General Fund will be as follows:

FY 2012-13 (\$ 426,000)

FY 2013-14 (\$ 745,000)

FY 2014-15 (\$ 760,000)

It is estimated that there will be no costs to the Department to implement this bill.

This bill has an effective date of October 1, 2012.

Major Objects of Expenditure								
Class Code	Classification Title	12-13 FTE	13-14 FTE	14-15 FTE	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures	
	19. 1							
perating Costs								
apital Outlay								