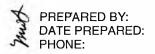
Revision: 01



Doug Gibbs November 30, 2011 402-471-0051

Updated for 2012 Session, includes any amendments adopted todate. FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *						
	FY 201	11-12	FY 2012-13			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		(\$2,290,000)		(\$2,680,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$2,290,000)		(\$2,680,000)		

<sup>\*</sup>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 of the date of this revision the bill has an operative date of October 1, 2011.

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

FY2012-13: (\$ 2,290,000) FY2013-14: (\$ 2,680,000) FY2014-15: (\$ 2,840,000)

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.

## NOV 29 2011

LB 40

## LEGISLATIVE FISCAL

Fiscal Note

2012

			State Agency	Estimate			
State Agency Name: Departme	nt 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	Expenditures	Revenue
General Funds			(\$ 2,290,000)		(\$ 2,680,000)		(\$ 2,840,000)
Cash Funds							
Federal Funds							
Other Funds							
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.

	Maj	or Objects of E	Expendite	ure			
Class Code	Classification Title	12-13 FTE	13-14 FTE	14-15 FTE	12-13 Expenditures	13-14 Exnenditures	14-15 Expenditures
Fravel		••••••••	••••••				
A 1ct							
Total							