Doug Gibbs January 22, 2012 402-471-0051

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	SCAL IMPACT – STAT	E AGENCIES *			
	FY 2012-13 FY 2013-14					
	EXPENDITURES	REVENUE				
GENERAL FUNDS		(\$ 362,000)		(\$ 525,000)		
CASH FUNDS				(\$ 25,000)		
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$ 362,000)		(\$ 550,000)		

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 830 amends the Nebraska Revenue Act, Nebraska Revised Statutes Section 77-2701.04 to provide a sales and use tax exemption for biochips.

Biochips are defined as a solid substrate upon or into which is incorporated specific genetic or protein information or chemicals that are queried through one or more chemical interactions allowing (a) an isolation of one or more single nucleotide polymorphisms which constitute an animal or plant genotype, (b) an expression profile which measures activity of genes or the presence of proteins, or (c) a detailed genomic sequence or protein profile. The specific genetic or protein information or chemicals incorporated upon or into the biochip are consumed in the process of conducting the analysis.

The bill has an operative date of July 1, 2012 and contains the emergency clause.

The Department of Revenue estimates a reduction of sales and use tax revenue as follows:

	General Highway Improver Fund: Fund:		Highway Allocation Fund:	Total Impact:	
FY2012-13:	(\$ 362,000)	\$ 0	\$ 0	(\$ 362,000)	
FY2013-14:	(\$ 525,000)	(\$ 21,250)	(\$ 3,750)	(\$ 550,000)	
FY2014-15:	(\$ 554,591)	(\$ 22,448)	(\$ 3,961)	(\$ 581,000)	

The Department indicates minimal cost to implement the provisions of LB 830.

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

IMPACT TO POLITICAL SUBDIVISIONS:

The fiscal impact is dependent on the location of the business purchasing the biochips but could range from \$ 0 to \$99,000 in FY 2012-13 and \$0 to \$150,000 in FY2013-14.

DEPARTMENT OF ADMINISTRATIVE SERVICES

i	REVIEWED BY	Lvn Heaton	1/24/12	PHONE 471-2526			
	COMMENTS	<u> </u>	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1110112 111 2020			
	DEPT. OF REVENUE – The agency analysis appears reasonable.						

JAN I 1 2012 Fiscal Note

2012

		State Agency	Estimate LEG	SLATA	Ä.		
State Agency Name: Department of Revenue			FISCAL	1/12/2012			
Approved by: Douglas Ewald		Date Prepared:	1/10/2012	F	hone: 471-5700		
	FY 2012	2-2013	FY 2013-2014 FY		FY 20	<u>2014-2015</u>	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	1	(\$362,000)	1	(\$525,000)		(\$554,591)	
Cash Funds				(25,000)		(26,409)	
Federal Funds							
Other Funds							
Total Funds		(\$362,000)		(\$550,000)		(\$581,000)	

LB 830 provides a sales and use tax exemption for the sale of biochips used for the purposes of conducting genotyping or the analysis of gene expression, protein expression, genomic sequencing, or protein profiling of plants produced for commercial purposes, animals produced for commercial purposes, companion animals, or nonhuman laboratory research model organisms.

The bill is expected to result in a reduction of sales and use taxes as follows:

Fiscal Year	General Fund	Highway Improvement Fund	Highway Allocation Fund	Total Impact
FY2012-13	362,000	0	0	362,000
FY2013-14	525,000	21,250	3,750	550,000
FY2014-15	554,591	22,448	3,961	581,000

There will be minimal costs for the Department to implement the bill.

Major Objects of Expenditure							
Class Code	Classification Title	12-13 <u>FIE</u>	13-14 <u>FTE</u>	14-15 FTE	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures
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