Doug Gibbs February 01, 2012 402-471-0051 **LB 830** 

Revision: 01

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised due to error

	ESTIMATE OF FI	SCAL IMPACT – STAT	E AGENCIES *				
	FY 201	FY 2012-13 FY 2013-14					
	EXPENDITURES REVENUE EXPENDITURES RE						
GENERAL FUNDS		(\$ 362,000)		(\$ 525,000)			
CASH FUNDS				(\$ 21,250)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$ 362,000)		(\$ 546,250)			

<sup>\*</sup>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 to the state as follows:

	General	Highway Improvement	Total	
	Fund:	Fund:	Impact:	
FY2012-13:	(\$ 362,000)	\$ 0	(\$ 362,000)	
FY2013-14:	(\$ 525,000)	(\$ 21,250)	(\$ 546,250)	
FY2014-15:	(\$ 554,591)	(\$ 22,448)	(\$ 577,039)	

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.

## MPACT TO POLITICAL SUBDIVISIONS:

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

FY2012-13: \$ 0 FY2013-14: (\$ 3,750) FY2014-15: (\$ 3,961)

## DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	1/24/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE - The agency a	nalysis appears reasonable.		

JAN I 1 2012 Fiscal Note

2012

		State Agency	Estimate LEG	SLATO	Date Due LFA:	
State Agency Name: Department	of Revenue	·		FISCA	Date Due LFA:	1/12/2012
Approved by: Douglas Ewald		Date Prepared:	1/10/2012		Phone: 471-5700	
	FY 2012	2-2013	FY 2013	3-2014	FY 20	14-2015
	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	The second secon	(\$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	<u>Classification Title</u>	12-13 FTE	13-14 FTE	14-15 FTE	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures
ravel							
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otal							