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LB 420

Revision: 05

Revised due to amendments on return from Final Reading

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2010-11 | | FY 2011-12 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

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

LB 420, as amended by AM2479 on return from Final Reading, would extend a sales and use tax exemption to nonprofit health care entities when the entity is owned or controlled by a nonprofit hospital or the hospital's parent corporation; the nonprofit health care entity is licensed under the Health Care Facility Licensure Act or is receiving federal funds through the U.S. Public Health Service for the purpose of serving populations that are medically underserved.

The bill specifically defines a nonprofit health clinic to include Rural Health Clinics as defined by 42 U.S.C. 1395x and nonprofit health clinics as defined in Nebraska Revised Statutes section 71-416.

The sales tax exemption created by LB 420, as amended by AM2479, does not go into effect until July 1, 2013.

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

| | | |
|------------|---------------|---|
| FY2010-11: | \$ | 0 |
| FY2011-12: | \$ | 0 |
| FY2012-13: | \$ | 0 |
| FY2013-14: | (\$2,773,000) | |

The Department of Revenue estimates that the cost to implement LB 420 will be minimal.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact to the General Fund or implementation costs.

IMPACT TO LOCAL POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the fiscal impact to local political subdivisions as follows:

| | | |
|------------|-------------|---|
| FY2010-11: | \$ | 0 |
| FY2011-12: | \$ | 0 |
| FY2012-13: | \$ | 0 |
| FY2012-13: | (\$378,000) | |