

*Handwritten mark*

PREPARED BY: Doug Gibbs  
DATE PREPARED: November 30, 2011  
PHONE: 402-471-0051

# LB 40

Revision: 01

Updated for 2012 Session, includes any amendments adopted to-date.

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		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)

\*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.

