

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS		(\$253,000)		(\$397,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$253,000)		(\$397,000)

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 655 seeks to change the taxation of cigars, cheroots, and stogies. Currently, such products are taxed at 20% of the price paid by the first owner or by the manufacturer. LB 655 would add the additional limit that the tax collected on each cigar, cheroot, or stogie cannot exceed \$0.50. This would impact the sale of such items that cost more than \$2.50.

LB 655 would become operative October 1, 2021

Revenue collected from the taxation of these tobacco products is currently credited to the Tobacco Products Administration Cash Fund. The Department of Revenue estimates that the Fund would see the following impact to its revenues as a result of LB 655:

- FY21-22: (\$253,000)
- FY22-23: (\$397,000)
- FY23-24: (\$417,000)
- FY24-25: (\$438,000)

There is no basis to disagree with these estimates.

The Department of Revenue estimates no costs to implement LB 655. There is no basis to disagree with this estimate.

