

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$857,471		\$1,320,457
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$857,471		\$1,320,457

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

LB301 proposes that the tax for ready-to-drink cocktails is changed from the rate of \$0.95 per gallon to \$3.75 per gallon.

The Department of Revenue (DOR) estimates the following General Fund revenue increase from the increase in tax rate:

- FY23-24: \$899,000
- FY24-25: \$1,417,000
- FY25-26: \$1,488,000
- FY26-27: \$1,562,000

The Nebraska Liquor Control Commission (NLCC) also estimated an increase in General Fund revenue from this tax change. NLCC's estimates showing an increase in revenue are below:

- FY23-24: \$815,942
- FY24-25: \$1,223,914

The DOR does not expect any costs to implement this bill while the NLCC plans to utilize current infrastructure to implement the bill. There is no basis to disagree on these expenditure estimates.

The estimate from the DOR adds in projected growth while the NLCC estimate does not due to uncertainty in the ready-to-drink cocktail market. Due to this uncertainty, the estimates from the DOR and NLCC for each year have been averaged and are the following:

- FY23-24: \$857,471
- FY24-25: \$1,320,457

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 301 – 3rd Revision	AM:	AGENCY/POLT. SUB: Nebraska Liquor Control Commission (035)	
REVIEWED BY: Joe Wilcox	DATE: 01/27/2023	PHONE: (402) 471-4178	
COMMENTS: No disagreement with the Nebraska Liquor Control Commission Revised estimate of potential Liquor Tax Revenue Impact to the Agency from LB 301. The Agency indicates it could use existing resources to implement the changes from the bill.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 301	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue (016)	
REVIEWED BY: Joe Wilcox	DATE: 01/25/2023	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the Nebraska Department of Revenue estimate of potential General Fund Revenue impact from LB 301. The Agency indicates there is No Fiscal Impact to the Department of Revenue from LB 301.			

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2023

LB⁽¹⁾ 301 REVISION 3

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Liquor Control Commission

Prepared by: ⁽³⁾ Mark Davis Jr Date Prepared: ⁽⁴⁾ 1-26-2023 Phone: ⁽⁵⁾ 402-471-4804

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>815,942</u>	<u>0</u>	<u>1,223,914</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u><u>0</u></u>	<u><u>815,942</u></u>	<u><u>0</u></u>	<u><u>1,223,914</u></u>

Explanation of Estimate:

Estimate is based on the RTDs reported for tax in Nebraska FY21-FY22, total gallonage for that was 400,688. This total is 11 months of reporting (August 2021 to June 2022). Dividing this total by 11 months provides a monthly average of 36,426 gallons. NLCC cannot make an estimate for increase or decrease in importation to and manufacture in Nebraska of RTD cocktails. Revenue is based on the difference between the proposed RTD tax of \$3.75 per gallon and the current RTD tax of \$0.95 per gallon, for a difference of \$2.80 per gallon starting in October 2023 for FY23-24 due to the end date of the legislature. This shows an increased tax revenue between what would have been projected revenue and the proposed excise tax rate.

NLCC will utilize current infrastructure to implement.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

