

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB873

Hearing Date: Wednesday February 11, 2026
Committee On: Revenue
Introducer: Hallstrom
One Liner: Provide for an excise tax on kratom products and change provisions of the Kratom Consumer Protection Act relating to adulterated products

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Kauth, Sorrentino, Murman
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents: Senator Bob Hallstrom	Representing: Opening Presenter
Opponents:	Representing:
Neutral:	Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 873 amends the Kratom Consumer Protection Act by adding an excise tax on kratom products as well as making regulatory changes. First, it creates an additional 10% tax on all kratom products. Second, it adds provisions prohibiting the distribution of suspected adulterated kratom products and what recourse the Department of Revenue must take. Finally, LB 873 makes adulterated products prima facie evidence of a violation of the Consumer Protection Act.

Section-by-Section Summary:

Section 1: Amends section 71-3801 to add new section 2 to the Kratom Consumer Protection Act.

Section 2: Creates an 10 % excise tax on kratom products beginning on July 1, 2027. Creates provisions for recordkeeping, remitting said tax, and placing the tax collected in the Property Tax Credit Cash Fund.

Section 3: Amends section 71-3809 prohibiting persons from selling or otherwise distributing kratom products



suspected to be adulterated while third party testing is being conducted.

Section 4: Amends section 71-3810 by adding a subsection outlining the process when violations of the Kratom Consumer Protection Act occur by requiring the Department of Revenue to remove the adulterated kratom products from the list of registered products.

Section 5: Amends section 71-3812 by adding a subsection stating that adulterated kratom products are prima facie evidence of a violation of the Consumer Protection Act in addition to violating the Kratom Consumer Protection Act.

Section 6: Repealer.

R. Brad von Gillern, Chairperson

