

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated per General File Amendments

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	38,000	0	0	38,000
FY2027-2028	0	96,000	0	0	96,000
FY2028-2029	0	101,000	0	0	101,000

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

LB 212 was amended by AM319 and AM1720. The bill, as amended, is discussed below.

The bill amends the Tobacco Products Tax Act.

Under the bill, a person outside of the state who makes remote retail sales of covered tobacco products to consumers in the state shall apply for a license and be granted such a license by the Tax Commissioner. If a license is granted, such person shall be subject to the Tobacco Products Tax Act after making \$100,000 in sales or 200 separate sales transactions of covered tobacco products in the preceding or current calendar year.

The operative date for this bill is January 1, 2027.

The Department of Revenue (DOR) estimates the following increases to the Tobacco Products Administration Cash Fund as a result of the bill:

- FY27: \$38,000
- FY28: \$96,000
- FY29: \$101,000

The DOR estimates minimal costs to it as a result of the bill.

There is no basis to disagree with these estimates.

State Agency Estimate

State Agency Name: Department of Revenue			Date Due LFO:
Approved by: James R. Kamm	Date Prepared: 01/26/2026		Phone: 471-5896
	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Expenditures	Revenue	Expenditures
General Funds			
Cash Funds		\$38,000	
Federal Funds			
Other Funds			
Total Funds		\$38,000	
			\$96,000
			\$101,000

LB 212 AM 319 AM 1720 strikes the original tax cap on cigars. The bill creates a remote seller licensing requirement for remote retailers located outside Nebraska who sell covered tobacco products to consumers. Covered tobacco includes cigars, pipe tobacco and Other Tobacco Products (OTP) except for snuff, snuff flour, fine cut and other chewing tobacco ENDS. A remote seller is required to become licensed if having \$100,000 sales or 200 transactions of covered tobacco products in the current calendar year or preceding calendar year.

It is estimated that LB 212 AM 319 AM 1720 will have the following impact:

Fiscal Year	Tobacco Products Administration Cash Fund
FY 2026-27	\$ 38,000
FY 2027-28	\$ 96,000
FY 2028-29	\$ 101,000

It is estimated that there will be minimal costs for the Department of Revenue to implement this bill.

The operative date for this bill is January 1, 2027.

Major Objects of Expenditure

Class Code	Classification Title	26-27 FTE	27-28 FTE	28-29 FTE	26-27 Expenditures	27-28 Expenditures	28-29 Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							