

PREPARED BY: John Wiemer
 DATE PREPARED: February 26, 2025
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LB 712

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$12,600	\$22,162,000		\$34,241,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$12,600	\$22,162,000		\$34,241,000

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

Under LB 712, the tax on electronic nicotine delivery systems (ENDS) is 40% of the purchase price paid by the first owner or the price at which the first owner who made, manufactured, or fabricated the ENDS sells the item to others.

We agree with the estimates provided by the Department of Revenue (DOR) regarding their estimates for General Fund revenue increases as a result of the bill, except that in FY26 we estimate revenue would be collected for 8 months instead of the 9 months estimated by the DOR with the assumption the tax rate would go into effect October 1, 2025 and collections beginning in November:

- FY26: \$22,162,000
- FY27: \$34,241,000
- FY28: \$35,269,000
- FY29: \$36,327,000

The DOR estimates minimal impact to the Highway Trust Fund and Highway Allocation Fund, which is distributed to cities and counties.

The DOR estimates a one-time programming charge of \$12,600 to be paid to the Office of the Chief Information Officer (OCIO) as a result of this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 712	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang	DATE: 2/26/2025	PHONE: (402) 471-4178	
COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 712.			

