

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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	210,000	722,000	0	0	932,000
FY2027-2028	210,000	751,000	0	0	961,000
FY2028-2029	210,000	763,000	0	0	973,000

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

LB 890 amends section 77-3003 to provide that beginning January 1, 2025, the biennial license for a distributor of a cash device shall be accompanied by a fee of \$200 up to a maximum of \$10,000. The Department of Revenue (DOR) shall remit these license fees collected by DOR to the State Treasurer for credit to the DOR Enforcement Fund.

The bill amends section 77-3003.01 to provide that a manufacturer or distributor of a cash device shall pay an application fee. The application fee shall be:

- \$500 prior to January 1, 2027;
- \$650 beginning January 1, 2027, and prior to January 1, 2028; and
- Beginning January 1, 2028, and January 1 of each year thereafter, the fee from the prior calendar year adjusted for inflation.

The bill also amends section 77-3003.01 to provide that for each cash device in operation in Nebraska the annual decal fee shall be:

- \$250 prior to January 1, 2027;
- \$350 beginning January 1, 2027, and prior to January 1, 2028; and
- Beginning January 1, 2028, and January 1 of each year thereafter, the fee from the prior calendar year adjusted for inflation.

The application fee and annual decal fee amended in section 77-3003.01 are credited to the DOR Enforcement Fund under current statute as well as under the bill.

The bill amends section 77-3003.03 to provide that a manufacturer of a cash device shall be required to procure a biennial license from the Tax Commissioner permitting such manufacturer to place any cash devices in the State of Nebraska for sale, lease, or distribution through a 3rd party. The license fee for a manufacturer of a cash device shall be \$10,000. The DOR shall remit these license fees collected by the DOR to the State Treasurer for credit to the DOR Enforcement Fund.

The bill amends section 77-3004 to change the occupation tax on mechanical amusement devices that are not cash devices to the following:

- \$35 prior to January 1, 2027, except that for such mechanical amusement devices placed in operation after July 1, and before January 1 of any such year, the occupation tax shall be \$20 for each mechanical amusement device;
- For calendar year 2027, the occupation tax is \$70; and
- For calendar year 2028 and each calendar year thereafter, the occupation tax from the prior calendar year adjusted for inflation.

These occupation taxes shall be remitted to the State Treasurer for credit as follows:

- 20% to the DOR Enforcement Fund; and
- 80% to the General Fund.

Under current statute, these occupation taxes are fully credited to the General Fund.

The bill is operative three months after adjournment of the Legislature.

The DOR estimates the following increase to revenues as a result of the bill:

Fiscal Year	General Fund	DOR Enforcement Fund
FY27	\$210,000	\$722,000
FY28	\$210,000	\$751,000
FY29	\$210,000	\$763,000

Under current law, for the fees discussed in this bill under section 77-3003 and section 77-3003.03, these fees are to be credited to the General Fund. Revenue from these fees is \$813,100 in FY25 and is \$426,500 through January of FY26. It appears the DOR has been crediting these fees, however, to the DOR Enforcement Fund in FY25 and FY26. As such, there is no estimated fiscal impact from the change in LB 890 going forward.

The DOR estimates there will be no cost to it to implement the bill. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 890 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Ryan Yang DATE: 2/10/2026 PHONE: (402) 471-4178

COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 890.

