

7/10/12

PREPARED BY: Doug Gibbs
DATE PREPARED: January 19, 2012
PHONE: 402-471-0051

LB 781

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 781 amends the Nebraska Liquor Control Act, Nebraska Revised Statutes Sections 53-160 and 53-164.01 regarding the gallonage tax on wine produced by farm wineries, beer produced by craft breweries, and distilled liquor produced by micro-distilleries.

Currently state excise tax attaches to wine when packaged or bottled for sale, to beer when produced and consumable, and distilled liquor when the product is finished and held in vessel or as packaged goods.

LB 781 proposes to change the tax point to when the product is released from the bonded area within the licensed premise; in other words when the product is shipped from the bonded area for sale. Making this change will conform state statute to current federal law.

The Nebraska Liquor Control Commission indicates that for wine produced by farm wineries the change proposed by LB 781 will have no fiscal impact because the tax attaches at basically the same time.

The Commission indicates for craft breweries and micro-distilleries there will be a short delay in the receipt of taxes but there will be no fiscal impact.

There is no basis to disagree with the Liquor Control Commission's estimate of fiscal impact.

There appears to be no additional cost to implement the provisions of LB 781.

IMPACT TO POLITICAL SUBDIVISIONS:

No fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/10/12	PHONE	471-2526
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COMMENTS

NEBRASKA LIQUOR CONTROL COMMISSION: No basis to disagree with agency estimate of impact.

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LB⁽¹⁾ 781 FISCAL NOTE

LEGISLATIVE FISCAL

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

Prepared by: (3) Jerry Van Ackeren Date Prepared: (4) 1/10/2012 Phone: (5) 1-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

See attachment

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
			0	0
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			0	0

A. Farm Winery Licensees

Current: State Excise tax attaches to wine products when sold.

Average yearly taxable sales	55,000 Gallons
Tax Rate	<u>\$ 0.06</u>
Net yearly receipts	\$3,300.00

Proposed: State Excise tax attaches when released from bonded area within the licensed premise. It's projected no financial impact. Currently, when the product is sold, it's removed from bonded area which results in this case as a wash. The proposed language will now line up same as Federal tax removals.

B. Brew-Pub Licensees (Craft Breweries)

Current: State Excise tax attaches at the point the beer is finished and consumable.

Average yearly taxable finished	477,637 Gallons
Tax Rate	<u>\$ 0.31</u>
Net yearly receipts	\$148,068.00

Proposed: State Excise tax attaches when released from bonded area within the licensed premise. It's projected no substantial financial impact. There will be a short delay in recovering the taxes due. The tax attachment will mirror Federal Government (TTB).

C. Micro-distilleries

Current: State Excise tax attaches when the product is finished held either in vessel or as packaged goods.

Average yearly taxable sales	3,000 Gallons
Tax Rate	<u>\$3.75</u>
Net yearly receipts	\$11,250.00

Proposed: State Excise tax attaches when finished product is released from bonded area within the licensed premise. It's projected no financial impact. There will be a short delay in the receipt of taxes. With proposed change, tax attachment will be the same as Federal Government.