

PREPARED BY: Doug Gibbs
 DATE PREPARED: January 25, 2016
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LB 762

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$21,000		\$31,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$21,000		\$31,000

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

LB 762 amends Nebraska Revised Statutes Section 77-4008 regarding the tax on tobacco products.

The bill would increase the tax on cigars, cheroots, or stogies from the current 20% to 22% of the wholesale price, but not to exceed fifty cents for each cigar, cheroot, or stogie.

The limit of fifty cents will result in a substantial reduction in tax revenue on the premium cigar segments of the market which will be offset by the increase to 22% of the wholesale price on mass market cigars, cheroots and the other segments.

The Department of Revenue estimates that the bill will have the following fiscal impact on the Tobacco Products Administration Cash Fund:

FY2016-17:	\$21,000
FY2017-18:	\$31,000
FY2018-19:	\$34,000

Department of Revenue cost to implement the provisions of LB 762 is expected to be minimal.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 762	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 1/26/2016	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.			

