

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(4,334,000)		(4,316,000)
CASH FUNDS		(430,000)		(428,000)
FEDERAL FUNDS				
OTHER FUNDS		(13,000)		(13,000)
TOTAL FUNDS		(4,777,000)		(4,757,000)

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

This bill would prohibit the sale or transfer to or use by persons under twenty-one years of age of tobacco, vapor products, and alternative nicotine products.

The Department of Revenue estimates that this bill will have an impact on revenues as follows:

	FY2017-18	FY2018-19	FY2019-20
Fund Source:	REVENUE	REVENUE	REVENUE
GENERAL FUNDS	(4,334,000)	(4,316,000)	(4,301,000)
CASH FUNDS	(430,000)	(428,000)	(426,000)
FEDERAL FUNDS			
OTHER FUNDS	(13,000)	(13,000)	(13,000)
TOTAL FUNDS	(4,777,000)	(4,757,000)	(4,740,000)

See the agency response attached for additional details on the various funds impacted.

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFA: 2/9/2017				
Approved by: Tony Fulton		Date Prepared: 2/9/2017				
		Phone: 471-5896				
	FY 2017-2018		FY 2018-2019		FY 2019-2020	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		(\$ 4,334,000)		(\$ 4,316,000)		(\$ 4,301,000)
Cash Funds		(\$ 430,000)		(\$ 428,000)		(\$ 426,000)
Federal Funds						
Other Funds		(\$ 13,000)		(\$ 13,000)		(\$ 13,000)
Total Funds		(\$ 4,777,000)		(\$ 4,757,000)		(\$ 4,740,000)

LB 73 amends eight sections of statute to increase the minimum age at which individuals may legally purchase cigarettes, cigars, vapor or other nicotine products or other tobacco products from 18 to 21 years of age.

The Department estimates the impact to revenues as a result of decreased sales taxes:

Fiscal Year	Sales Tax from Cigarettes	Sales Tax from Tobacco Products	Total Decrease in Sales Tax	State Highway Capital Improvement Fund	Highway Allocation Fund	General Fund Decrease
2017-18	(\$ 1,582,000)	(\$ 355,000)	(\$ 1,937,000)	(\$ 75,000)	(\$ 13,000)	(\$ 1,849,000)
2018-19	(\$ 1,576,000)	(\$ 353,000)	(\$ 1,929,000)	(\$ 75,000)	(\$ 13,000)	(\$ 1,841,000)
2019-20	(\$ 1,570,000)	(\$ 352,000)	(\$ 1,922,000)	(\$ 74,000)	(\$ 13,000)	(\$ 1,835,000)

The Department estimates the impact to revenues associated with cigarette and tobacco products tax decreases:

Fiscal Year	General Fund	Outdoor Recreation Cash Fund	Health and Human Services Cash Fund	Building Renewal Fund	Miscellaneous Funds	Tobacco Products Administration Cash Fund	Total
2017-18	(\$ 2,485,000)	\$ 0	\$ 0	\$ 0	\$ 0	(\$ 355,000)	(\$ 2,840,000)
2018-19	(\$ 2,475,000)	\$ 0	\$ 0	\$ 0	\$ 0	(\$ 353,000)	(\$ 2,828,000)
2019-20	(\$ 2,466,000)	\$ 0	\$ 0	\$ 0	\$ 0	(\$ 352,000)	(\$ 2,818,000)

The Department estimates the impact to General Fund revenues and Cash Funds as follows:

Fiscal Year	General Fund	All Cash Funds	Other Funds	Total Impact
2017-18	(\$ 4,334,000)	(\$ 430,000)	(\$ 13,000)	(\$ 4,777,000)
2018-19	(\$ 4,316,000)	(\$ 428,000)	(\$ 13,000)	(\$ 4,757,000)
2019-20	(\$ 4,301,000)	(\$ 426,000)	(\$ 13,000)	(\$ 4,740,000)

It is estimated that there will be no cost to the Department to implement this bill.

Major Objects of Expenditure

Class Code	Classification Title	17-18	18-19	19-20	17-18	18-19	19-20
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....						