

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$57,100		\$10,000	
CASH FUNDS		(\$279,000)		(\$439,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$57,100	(\$279,000)	\$10,000	(\$439,000)

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

LB 24 seeks to change the taxation of cigars, cheroots, and stogies. Currently, such products are taxed at 20% of the purchase price paid by the first owner or the price at which a first owner who made, manufactured, or fabricated the tobacco product sells the items to others. LB 24 would add the additional limit that the tax collected on each cigar, cheroot, or stogie cannot exceed \$0.50. This would impact the sale of such items that cost more than \$2.50.

LB 24 would become operative October 1, 2023.

Revenue collected from the taxation of these tobacco products is currently credited to the Tobacco Products Administration Cash Fund. The Department of Revenue estimates that the Fund would see the following impact to its revenues as a result of LB 24:

- FY23-24: (\$279,000)
- FY24-25: (\$439,000)
- FY25-26: (\$461,000)
- FY26-27: (\$484,000)

The Department of Revenue also estimates LB 24 will require a Senior Developer to program and maintain the General Processing System with the following expenses:

- FY23-24: \$57,100
- FY24-25: \$10,000
- FY25-26: \$10,000

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 24	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 1/23/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 24 appears reasonable.		

