PREPARED BY: DATE PREPARED: PHONE: Eric Kasik July 29, 2024 402-471-0053

LB 41

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	24-25	FY 2025-26			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		\$28,643,000		\$50,748,000		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		\$28,643,000		\$50,748,000		

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

LB 41 amends the Tobacco Products Tax Act. It would make changes to the tax on electronic nicotine delivery systems so it would be 40% of the purchase price paid by the first owner or the price at which the first owner who made, manufactured, or fabricated the electronic nicotine delivery system sells the item to others. The bill removes the term consumable material when determining tax.

The operative date for this bill is three months after adjournment.

The Department of Revenue (DOR) estimates the following increase to General Fund revenues from this bill:

- FY 24-25: \$28,643,000
- FY 25-26: \$50,748,000
- FY 26-27: \$52,270,000

The DOR also estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates

LB 41 Fiscal Note 2024

State Agency Estimate							
State Agency Name: Department of Revenue			Date Due LFO:				
Approved by: James R. Kamm		Date Prepared:	07/30/2024)24 Phone: 471-5896			
	FY 2024-2025		FY 2025-2026		FY 2026-2027		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$28,643,000		\$50,748,000		\$52,270,000	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$28,643,000		\$50,748,000		\$52,270,000	
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LB 41 increases the tax rate on ENDS to 40%. The bill removes the term consumable material when determining the tax amount.

It is estimated that LB 41 will have the following impact on the General Fund revenues:

Fiscal Year	General Fund revenues		
FY 2024-25	\$ 28,643,000		
FY 2025-26	\$ 50,748,000		
FY 2026-27	\$ 52,270,000		

It is estimated that there will be minimal Costs to the Department of Revenue to implement this bill.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Benefits							
Operating Costs	Operating Costs.						
Travel	Travel						
Capital Outlay							
Capital Improvements.							
Total							