

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$72,100		\$10,000	
CASH FUNDS		(\$317,000)		(\$499,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$72,100	(\$317,000)	\$10,000	(\$499,000)

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

LB 212 changes 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 212 adds the additional limit that the tax collected on each cigar, cheroot, or stogie cannot exceed \$0.50.

LB 212 becomes operative on October 1, 2025.

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

- FY26: (\$317,000)
- FY27: (\$499,000)
- FY28: (\$524,000)

The DOR estimates a need for a one-time programming charge of \$12,600 to be paid to the Office of the Chief Information Officer (OCIO) as a result of the bill. The DOR also estimates a need for 0.5 FTE Senior Developer in FY26 and then \$10,000 in FY27 and FY28 to program and maintain the General Processing System.

There is no basis to disagree with these estimates.

