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LB 89

Revision: 03

Revised to correct fund source

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$215,000		\$30,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$215,000		\$30,000

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 89, as amended by AM452, changes the tax on snuff to \$0.44 per ounce and a proportionate tax for fractional ounces thereof, based on the manufacturer's listed weight. The bill differentiates snuff as a tobacco product that is finely ground or powdered to be consumed orally as opposed to all other tobacco forms, which are classified as smoking tobacco. The operative date of the bill is October 1, 2009.

LB 89, as amended by AM 452, is estimated to have the following fiscal impact:

FY2009-10: \$215,000
 FY2010-11: \$ 30,000
 FY2011-12: (\$ 21,000)
 FY2012-13: (\$191,000)

The forecasted revenue impact assumes the following:

- 1) Consumption of snuff grows at the same rate as the population;
- 2) The \$0.44 rate does not alter the rate of market share loss of Tier 1 to Tier 3 snuff products;
- 3) Relevant wholesale prices increase at the same rate as the forecast of retail prices.