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LB 501

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 501 requires direct sellers, selling cigarettes via the Internet, mail order, or other means, which are to be delivered to consumers in the State of Nebraska, to obtain a \$25 annual cigarette retailer's license before receiving any orders. The bill also requires direct sellers to obtain a \$500 permit to purchase cigarette tax stamps from the Department, and to affix tax stamps to the cigarettes to be sold.

The Department of Revenue notes that constitutional problems prevent the State from enforcing the provisions of LB 501. Also, the inability to enforce this bill may cause a problem with "diligent enforcement" of Master Settlement Agreement.

Because of these problems, the Department estimates that this bill will have no material fiscal impact or implementation costs.