

One Hundred Fourth Legislature - Second Session - 2016

Introducer's Statement of Intent

LB762

Chairman: Senator Mike Gloor

Committee: Revenue

Date of Hearing: January 28, 2016

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 762 amends Section 77-4008 to change the taxation of cigars, cheroots and stogies.

Currently, cigars, cheroots, stogies are included in the definition of "tobacco products," which does not include cigarettes. The first owner of tobacco products is presently taxed at 20 percent.

LB762 would create a different level of taxation for cigars, cheroots, and stogies by the first owner at 22 percent, but not to exceed 50 cents per cigar, cheroot, or stogie.

By capping the tax at 50 cents per cigar, this would reduce the incentive for Nebraska residents to purchase their high-end cigars out of state, potentially increasing the amount of tax captured in Nebraska.

Principal Introducer: _____

Senator Bill Kintner