

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB459

Hearing Date: Wednesday March 03, 2021
Committee On: Revenue
Introducer: Cavanaugh, M.
One Liner: Change provisions relating to the cigarette tax and the Tobacco Products Tax Act and distribute tax proceeds as prescribed

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:
Aye: 7 Senators Albrecht, Briese, Flood, Lindstrom, Friesen, Linehan, Pahl
Nay:
Absent:
Present Not Voting: 1 Senator Bostar

Oral Testimony:

Proponents:

Senator Machaela Cavanaugh
Maggie Ballard
Ali Khan

Representing:

Introducer
Heartland Family Service
Nebraska Medical Association

Opponents:

Sarah Curry
Sarah Linden
Scott Lautenbaugh
Bruce Rieker

Representing:

Platte Institute
Generation V, Nebraska Vape Vendors Association
N.V.V.A.
Nebraska Farm Bureau

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Ashley Carrol
Brian Krannawitter
Jina Ragland
Patricia Lopez
Eric Gerrard
Julie Erickson

Representing:

March of Dimes
American Heart Association
AARP NE
Friends of Public Health
Voices for Children
American Cancer Society Cancer Action Network

Opponents:

Tim Keigher

Representing:

Nebraska Petroleum Marketers and Convenience Stores Association

Ansley Fellers
Kent Rogert

Nebraska Grocery Industry Association
Altria

Neutral:

Representing:

Summary of purpose and/or changes:

LB459 proposes to raise the tax on cigarettes from 64 cents per package to \$2.14 per package. Beginning July 1, 2021, 86.5 cents of the increased tax will be placed in the General Fund \$1.125 of the increased tax will be placed in the Nebraska Health Care Cash Fund.

The additional revenue credited to the Nebraska Health Care Cash Fund will distributed as follows:

- An additional \$2 million will be appropriated in fiscal year 2021-22 and each fiscal year thereafter from the Nebraska Health Care Cash Fund to the Tobacco Prevention and Control Program.
- The Nebraska Health Care Cash Fund will appropriate \$20 million for fiscal years 2021-22 and 2022-23 to the Department of Labor. The monies will be used to pay the upfront administrative costs of any paid family and medical leave program enacted by the Legislature.
- The Department of Health and Human Services will receive \$26 million from the Nebraska Health Care Cash Fund for fiscal year 2021-22 and each fiscal thereafter to pay for maternal health care projects enacted by the Legislature.

A definition for an electronic nicotine delivery system is added to the Tobacco Products Tax Act and is added to the definition of tobacco product. All revenue collected or received on electronic nicotine delivery systems shall be credited to the Nebraska Health Care Cash Fund.

LB459 has an operative date of July 1, 2021.

The bill has the Emergency Clause.

Lou Ann Linehan, Chairperson