PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 07, 2020 402-471-0059

LB 1013

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 202	20-21	FY 20	21-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					

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

LB 1013 amends provisions related to cigarettes to clarify that cigars, which are taxed as cigarettes under Neb. Rev. Stat. sec 77-2602 but federally taxed as cigars, are not treated as cigarettes under Neb. Rev. Stat. sec. 69-2702(4), which defines terms for purposes of the Master Settlement Agreement.

The bill contains the emergency clause.

The bill is estimated to have a minimal fiscal impact to the state. The Department of Revenue estimates no impact to General Fund revenue and minimal cost to the implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1013	AM:	AGENCY/POLT. SUB: Department of Revenue			
REVIEWED BY:	Lee Will	DATE: 02/10/2020	PHONE: (402) 471-4175		
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact.					

LB 1013 Fiscal Note 2020

State Agency Estimate						
State Agency Name: Department	of Revenue			D	ate Due LFA:	
Approved by: Tony Fulton	Date Prepared: Phone: 471-			none: 471-5896		
	FY 2020	FY 2020-2021		1-2022	FY 2022-2023	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$0		\$0		\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0
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LB 1013 exempts tobacco products defined as cigarettes by Neb. Rev. Stat. § 77-2602 from the escrow requirement in Neb. Rev. Stat. § 69-2702(4) if the product is taxed as a cigar under Title 26 of the Internal Revenue Code.

LB 1013 may affect the Department's ability to diligently enforce the Master Settlement Agreement (MSA) as required. In 2019, the MSA provided \$39,834,821.95 to the various programs receiving funds.

It is estimated that LB 1013 will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement LB 1013.

LB 1013 contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure							
Class Code	Classification Title	20-21 <u>FTE</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	20-21 Expenditures	21-22 Expenditures	22-23 Expenditures
D. C.							
Operating Costs	Benefits Operating Costs Opera						
Travel							
TC - 4 - 1	S						