



**One Hundred First Legislature - First Session - 2009**  
**Introducer's Statement of Intent**  
**LB 89**

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**Chairperson:** Abbie Cornett  
**Committee:** Revenue  
**Date of Hearing:** January 22, 2009

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

Under LB 89, tobacco products are divided into two groups, smoking tobacco (tobacco products intended primarily for smoking) and tobacco products (tobacco items primarily intended for chewing). LB 89 changes the method used to impose an excise tax on tobacco products. The current tax of 20% of the wholesale price would remain in place for smoking tobacco. For tobacco products, the tax would be set at 65 cents per ounce, with fractional parts of an ounce taxed proportionately at the same rate.

The excise tax on cigarettes is collected by the pack. LB 89 would tax chewing tobacco in a similar manner, imposing the tax on a unit or weight basis, rather than imposing the tax based on price.

**Principal Introducer:** \_\_\_\_\_  
**Senator Abbie Cornett**