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PREPARED BY: Doug Gibbs
DATE PREPARED: March 16, 2012
PHONE: 402-471-0051

LB 824

Revision: 01

Revised due to adoption of amendments

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	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 824, as amended, amends the Nebraska Liquor Control Act to add a definition of "flavored malt beverage," and change provisions of the gallonage tax.

"Flavored malt beverage" is defined to mean a beer that derives not more than 49% of its total alcohol content from flavors or flavorings containing alcohol obtained by distillation except in the case of a malt beverage with an alcohol content more than 6% by volume, not more than 1.5% of the volume may consist of alcohol derived from flavors, flavorings, or other nonbeverage ingredients containing alcohol obtained by distillation.

The Liquor Control Commission indicates no fiscal impact as a result of this portion of LB 824 as this product is currently taxed at 0.31 per gallon and this definition would not change the tax rate.

We agree with the Commission's estimate of fiscal impact.

LB 781 amends the Nebraska Liquor Control Act, Nebraska Revised Statutes Sections 53-160 and 53-164.01 regarding the gallonage tax on wine produced by farm wineries, beer produced by craft breweries, and distilled liquor produced by micro-distilleries.

Currently state excise tax attaches to wine when packaged or bottled for sale, to beer when produced and consumable, and distilled liquor when the product is finished and held in vessel or as packaged goods.

The bill, as amended by AM 2080, now incorporates the provisions of LB 781 and proposes to change the tax point to when the product is released from the bonded area within the licensed premise; in other words when the product is shipped from the bonded area for sale. Making this change will conform state statute to current federal law.

The Nebraska Liquor Control Commission indicates that for wine produced by farm wineries the proposed change will have no fiscal impact because the tax attaches at basically the same time as it now attaches.

The Commission indicates for craft breweries and micro-distilleries there will be a short delay in the receipt of taxes but there will be no fiscal impact for this portion of LB 824.

There is no basis to disagree with the Liquor Control Commission's estimate of fiscal impact.

There appears to be no additional cost to implement the provisions of LB 824 as amended.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/11/12	PHONE 471-2526
COMMENTS			
LIQUOR CONTROL COIMMISSION – No basis to disagree.			

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Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 824 FISCAL NOTE

JAN 11 2012

State Agency OR Political Subdivision Name: (2) Nebraska Liquor Control Commission

Prepared by: (3) Jerry Van Ackeren Date Prepared: (4) 1/10/2012 Phone: (5) 1-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

No fiscal impact expected since product is taxed at 31 cents per gallon currently.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
			0	0
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			0	0