

Revised due to adoption of amendment on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$96,000		\$97,000
CASH FUNDS		(\$3,500)		(\$3,500)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$92,500		\$93,500

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

LB 230, as amended by AM355, amends the Nebraska Liquor Control Act regarding shipping licenses.

The bill, as amended, now adds two direct shipping licenses and removes an existing license provision that allowed a “person” to obtain a shipping license.

A new retail direct sales license allows a retailer, who is licensed in the state where they are domiciled and who is not a manufacturer, to ship directly to a consumer in Nebraska. The new manufacturer direct sales shipping license allows a manufacturer to ship directly to a consumer in Nebraska. The fee for both license types is \$500.

Applicants for both license types are required to meet a number of requirements including: complying with statutory provisions regarding reporting, paying taxes, keeping records, permitting inspections and examination of records, paying actual expenses of the Commission for inspections and examinations; only ship brands identified on the license applications; notify any wholesaler licensed in Nebraska that has been authorized to distribute such brands that an application for a shipping license has been filed; not ship any products that licensed manufacturers or wholesalers have voluntarily agreed not to bring into Nebraska at the request of the Commission; not ship more than 9 liters per month to any person in Nebraska and that those shipments are for personal consumption only and not for resale; and ship common carrier only.

The bill, as amended, also requires the Commission to adopt rules and regulations regarding common carriers and the delivery of direct shipments of alcoholic liquor. The provisions are to include the following upon delivery: the recipient must demonstrate that they are at least twenty-one years of age; the recipient must sign for the shipment; the carrier is to refuse delivery if the recipient cannot or will not provide proof of age; and the licensee shall affix to the package a notice that the package contains alcoholic beverages.

LB 230, as amended, now includes a provision that each shipment of alcoholic liquor by a licensed shipper constitutes a sale in Nebraska by establishing nexus in Nebraska and that the holder of the shipping license shall collect the required state and local sales tax and remit such taxes monthly to the Department of Revenue.

It is estimated that there will be an increase in sales tax revenue as a result of LB 230, as amended, and a slight loss of revenue due to the change in who may receive a shipping license and current licensees not renewing an existing license.