

# One Hundred Fourth Legislature - Second Session - 2016

## Introducer's Statement of Intent

### LB1013

---

**Chairperson: Senator Mike Gloor**

**Committee: Revenue**

#### **Date of Hearing:**

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

LB 1013 proposes to raise the cigarette excise tax by \$1.50 from the current 64 cents to \$2.14 per pack of twenty cigarettes. It would also raise the wholesale excise tax on other tobacco products by 11 percent from the current 20 percent to 31 percent.

The revenue generated by the increase in cigarette excise tax would be directed to:

1. \$ 45 Million to the Property Tax Relief Fund;
2. \$45 Million to the General Fund to be used by the Department of Revenue for tax payers filing for a personal property tax exemption of up to \$25,000;
3. An additional \$30 Million to the Health Care Cash Fund to be appropriated to a variety of public health programs.

The revenue generated by the increase in excise tax on other tobacco products would go to the Tobacco Products Administration Cash Fund, the balance of which lapses to the General Fund.

The intended health care effect of LB 1013 is to reduce tobacco related illness, thereby creating a long-term reduction in Medicaid costs for treatment of heart disease, lung disease and cancers caused by smoking and tobacco use. The intended tax effect is to decrease the individual tax burden of property owners by increasing the funding for the Property Tax Credit Fund and to increase the personal property tax exemption amount available to entrepreneurs, individual proprietors, small businesses, agri-business and large businesses.

**Principal Introducer:** \_\_\_\_\_

Senator Mike Gloor