

PREPARED BY: Austin Ligenza
 DATE PREPARED: January 15, 2021
 PHONE: (402)471-0050

LB 415

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$18,750		\$37,500
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$18,750		\$37,500

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

LB 415 seeks to change the definition of Nebraska micro distilleries. Under LB 415, the gallon production cap to be considered a micro distillery is increased from 10,000 to 100,000 gallons. Due to this, it is expected that current micro distilleries would increase their production, which would in turn increase excise tax revenue. The Liquor Control Commission estimates an increase of 5,000 and 10,000 gallons for each year of the FY22-23 biennium, taxed at the current rate of \$3.75 per gallon. There is no basis to disagree with this estimate.

The Liquor Control Commission estimates no costs to implement the changes made by LB 415. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 415	AM:	AGENCY/POLT. SUB: Nebraska Liquor Control Commission (35)
REVIEWED BY: Joe Wilcox	DATE: 01/19/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Liquor Control Commission (NLCC) estimate of No Fiscal Impact to the Agency, but with potential positive General Fund Revenue impact to the State, from LB 415.		

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2021

LB⁽¹⁾ 415

FISCAL NOTE

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

Prepared by: ⁽³⁾ LeAnna Prange Date Prepared: ⁽⁴⁾ 1/15/21 Phone: ⁽⁵⁾ 402-471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>37,500</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>37,500</u>

Explanation of Estimate:

Micro distillery Production Limits for Nebraska and neighboring states are as follows:

Colorado: 11,887.7424 gallons - Listed as 45000 liters or 5000 cases.

Iowa: 100,000 Proof Gallons

Kansas: 50,000 gallons

Missouri: No limit

Minnesota: 40,000 gallons

Nebraska: 10,000 gallons

South Dakota: 50,000 gallons, at least 30% of product must come from SD agricultural products

Wyoming: No limit

NLCC determines Nebraska distillery production would take time to increase substantially. NLCC determines 5,000 additional gallons by Nebraska distilleries in 2021-2022 and 10,000 additional gallons produced in 2022-2023. Excise tax rate for distilled gallons is \$3.75/per gallon.

NLCC determines \$0 dollars in expenditures to implement LB 311. NLCC would utilize existing staff and resources to inform the industry of this change in the law. There would be no additional expenses for subsequent years.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....			<u>0</u>	<u>0</u>
Operating.....			<u>0</u>	<u>0</u>
Travel.....			<u>0</u>	<u>0</u>
Capital outlay.....			<u>0</u>	<u>0</u>
Aid.....			<u>0</u>	<u>0</u>
Capital improvements.....			<u>0</u>	<u>0</u>
TOTAL.....			<u>0</u>	<u>0</u>

No fiscal impact.