

PREPARED BY: John Wiemer  
 DATE PREPARED: February 16, 2023  
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**LB 584**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$110,900	\$1,340,000	\$54,800	\$1,500,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$110,900</b>	<b>\$1,340,000</b>	<b>\$54,800</b>	<b>\$1,500,000</b>

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

LB 584 seeks to impose a tax on the selling or dealing in electronic nicotine delivery systems at a rate of \$0.05 per milliliter of consumable material and a proportionate tax at the same rate on all fractional parts beginning July 1, 2023.

The Department of Revenue (DOR) estimates the following increase to General Fund revenues from this bill:

<b>Fiscal Year</b>	<b>General Fund revenues</b>
FY 2023-24	\$ 1,340,000
FY 2024-25	\$ 1,500,000
FY 2025-26	\$ 1,550,000
FY 2026-27	\$ 1,600,000

To implement the bill, the DOR estimates that it would need 1.0 FTE of a Senior Developer the first year and 0.5 FTE in the subsequent years to program and maintain the General Processing System. The DOR also estimates that it would have a one-time cost from the Office of the Chief Information Officer (OCIO) of \$1,500 for developing.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB:	584	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue
REVIEWED BY:	Ann Linneman	DATE:	2-16-2023
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COMMENTS: The Nebraska Department of Revenue's assessment of fiscal impact appears reasonable.			

