

Nebraska's Proposed 25% CBD Tax Bill Fails to Survive Legislative Session Conclusion

A Nebraska bill containing a provision to set a 25 percent tax rate on hemp and CBD products—down from an initially proposed rate of 100 percent—fell apart this week, with its sponsor acknowledging on the final day of the state’s legislative session that it did not have the votes to overcome a filibuster.

Sen. Linehan’s Concession

Sen. Lou Ann Linehan (R) conceded defeat, asking for the measure, LB 388, to be pulled from the agenda. She expressed openness to revisiting the issue in future sessions but urged constructive dialogue on alternative solutions to the state’s revenue challenges.

Revenue Balancing Act

LB 388 was part of a broader debate on revenue sources in Nebraska. The proposed tax aimed to address concerns about high property taxes and reduce reliance on property tax revenues for funding schools. However, opposition to the bill highlighted the potential burden on lower-income Nebraskans.

Shifting Tax Proposals

Initially, Linehan proposed a 100 percent tax rate on CBD and hemp products, sparking concerns from industry stakeholders about feasibility. Subsequent negotiations led to a reduction to 25 percent, reflecting efforts to find a middle ground between revenue generation and industry sustainability.

Calls for Broader Policy Reform

Some lawmakers argued that Nebraska should explore broader policy reforms, such as legalizing and regulating marijuana, to diversify revenue streams and address underlying issues like brain drain. Despite ongoing efforts by activists, both medical and adult-use cannabis remain illegal in Nebraska.

Challenges and Activism

Efforts to advance cannabis reform in Nebraska face numerous challenges, including legislative gridlock and opposition from state officials. Despite widespread public support for medical marijuana legalization, previous ballot initiatives have encountered legal and funding obstacles.

Future Prospects

As the legislative session concludes without progress on CBD taxation, the fate of cannabis reform in Nebraska remains uncertain. Activists continue to advocate for policy changes, but achieving consensus in

the conservative-leaning legislature presents a formidable hurdle.

While the failure of LB 388 represents a setback for proponents of CBD taxation, it underscores the complexities of cannabis policy reform and the ongoing need for constructive dialogue and bipartisan collaboration to address Nebraska's evolving regulatory landscape.

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