

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly 2007
Legislative Revenue Office

Bill Number:	HB 2201-A
Revenue Area:	Tobacco Tax
Economist:	Mazen Malik
Date:	02-16-2007

Measure Description:

Increases cigarette tax by 84.5 cents per pack, and other tobacco products tax by 30% of wholesale price. Distributes the tax revenues to the Oregon Health Kids Program Fund, Oregon Health plans, Tobacco Use Reduction Account, General Fund, and Local Government. Imposes a floor tax as the new tax on the first day of the calendar month following the implementation date. Cigarette and tobacco tax increases become effective after 91st day following sine die.

Revenue Impact:

\$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	1,213,705	(18,771)	1,195,000	125,000
Health Plan (OHP)	4,688,765	(47,100)	4,642,000	31,000
TURA	6,061,591	11,341,746	17,403,000	22,888,000
Local Government (Cities)	155,513	58,866.5	214,333	118,667
Local Government (Counties)	155,513	58,866.5	214,333	118,667
Local Government (Transit)	155,513	58,866.5	214,333	118,667
Healthy Kids Program	54,023,331	104,335,020	158,358,000	210,420,000
Total	66,453,931	115,787,495	182,241,000	233,820,000

Impact Explanation:

The hold harmless distribution takes 6.5% of the new cigarette money and distributes it using the 58-cent formula. Then 13% will be distributed according to the adjusted 60-cent formula. The remaining (80.5%) amounts are distributed 90% to the Healthy Kids Fund, and 10% to the Tobacco Reduction (TURA).

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