

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 37
Revenue Area:	Tobacco Tax
Economist:	Mazen Malik
Date:	04-30-07

Measure Description:

Requires that, of the revenue from the cigarette tax dedicated to the General Fund, 0.7 percent be credited to Office of Rural Health (ORH) for enhancing emergency services in rural communities, 0.85 percent be credited to ORH to provide rural safety net services including rural health facilities, and that 2.0 percent be credited to ORH for rural health viability grants.

Revenue Impact:

(\$)	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	\$ (1,726,187)	\$ (1,728,542)	\$ (3,454,729)	\$ (3,486,076)
Rural Health @ 0.7%	340,375	340,839	681,214	687,395
Rural Health Safety net @ 0.85%	413,312	413,876	827,189	834,694
Rural Health grants @ 2.0%	972,500	973,827	1,946,326	1,963,987

Impact Explanation:

Cigarette revenue is dedicated in two segments. Measure 44 of 1996 dedicated the first 58 cents and revenue proportionate to their percentages: 37.9% GF, 46.55% OHP, .17 TURA, and 10.35% to locals. The remaining 60 cents are mostly OHP revenue (97.9) dedicated by Measure 20. Out of cigarette taxes, General fund receives 18.6%, Health plan and TURA 75.6%, and 5.8% to local governments. Revenue from OTP goes 41.5% to the OHP, 4.62% to TURA, and the rest the general fund. Total tobacco revenue yields the overall distributions of 22.7% general fund, 69.1% health plan, 3.1% TURA, and 5.1% to local governments. This bill dedicates a portion of the revenue that previously would have gone to the General Fund from the 58-cent Measure 44 dedication.

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