

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 181A
Revenue Area:	Tobacco Taxes
Economist:	Mazen Malik
Date:	03-15-07

Measure Description:

Extends the sunset date and establishes permanent funding for the Tobacco Compliance Task Force from the tobacco revenues. Includes a policy statement and requires reports.

Revenue Impact:

(\$ Millions)	2007-09 Biennium	2009-11 Biennium
State General Fund	(0.79)	(1.11)
Health Plan	(2.42)	(3.39)
TURA	(0.11)	(0.15)
Local Government	(0.18)	(0.25)
Total	(3.5)	(4.9)

Impact Explanation:

HB 2368 of 2003 established the funding for the Tobacco Compliance Task Force from the tobacco taxes, rather than the general fund. However, if this law elapses (sunset) there is no explicit funding through the general fund, although one could assume that the general fund will again be the source. The tobacco tax administration of the Department of Revenue, which was funded through general fund appropriations in years before 2001, is included as a part of this task force. Additionally the Task Force draws on resources and input from the Oregon State Police and the Office of the Attorney General. However, the funding mechanism through the tobacco tax revenue is scheduled to sunset on January 1, 2008. This bill attempts to make this funding permanently drawn from the top of the tobacco revenues. By doing so, the bill takes away from the gross revenue of the tobacco taxes, leaving less net amounts to the different dedicated sources proportionate to their percentages. 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.

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