REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	**SJR 4 B**
Revenue Area:	Tobacco Taxes
Economist:	Mazen Malik
Date:	06/11/2007

Measure Description:

Proposes amendment to Oregon Constitution imposing cigarette taxes of 84.5 cent per pack. imposes 30% other tobacco product tax. Dedicates revenue raised to children's healthcare programs, health care programs for low-income adults and other medically underserved Oregonians, and to tobacco use prevention and education. Refers proposed amendment to the people for their approval or rejection.

Revenue Impact:

If the constitutional amendment is approved by the voters, then the net new revenues that will be generated by the new tax are shown in the following chart.

$	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State Other Fund				
Cigarette Taxes	35,074,314	111,706,080	**146,780,394**	**223,116,884**
Other Tobacco Taxes	1,065,714	4,909,112	**5,974,826**	**10,105,857**
Total	**$36,140,029**	**$116,615,191**	**$152,755,220**	**$233,222,741**

Impact Explanation:

The resolution will constitutionally instate a tax increase on tobacco of 84.5 cents and 30% of whole price on the other tobacco products. This amount is on top what exists in statutes today at the rate of $1.18 for cigarettes and 65% for other tobacco products. This constitutional amendment will be dedicated to the Healthy Kids program and other health, prevention and education programs. The dedication necessitates that a different method of distribution needs to be adopted. This new method is defined in SB 3. Thus the companion bill takes affect only if SJR 4 passes.
The amounts shown as the impact represent the net increase of tobacco revenue over today's revenue amounts. These figures however, might not be what will be reflected in the distribution to the later uses as will be the case in SB 3.