

# House Bill 2967

Sponsored by COMMITTEE ON REVENUE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Eliminates cap on maximum amount of tobacco products tax imposed on cigars.  
Applies to tobacco products tax reporting periods beginning on or after effective date of Act.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tobacco products taxation; creating new provisions; amending ORS 323.505; prescribing  
3 an effective date; and providing for revenue raising that requires approval by a three-fifths ma-  
4 jority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 323.505 is amended to read:

7 323.505. (1) A tax is hereby imposed upon the distribution of all tobacco products in this state.  
8 The tax imposed by this section is intended to be a direct tax on the consumer, for which payment  
9 upon distribution is required to achieve convenience and facility in the collection and administration  
10 of the tax. The tax shall be imposed on a distributor at the time the distributor distributes tobacco  
11 products.

12 (2) The tax imposed under this section shall be imposed at the rate of[:]

13 [*(a) Sixty-five percent of the wholesale sales price of cigars, but not to exceed 50 cents per cigar;*  
14 *or]*

15 [*(b) sixty-five*] **65** percent of the wholesale sales price of [*all*] tobacco products [*that are not*  
16 *cigars*].

17 (3) If the tax imposed under this section does not equal an amount calculable to a whole cent,  
18 the tax shall be equal to the next higher whole cent. However, the amount remitted to the Depart-  
19 ment of Revenue by the taxpayer for each quarter shall be equal only to 98.5 percent of the total  
20 taxes due and payable by the taxpayer for the quarter.

21 (4) No tobacco product shall be subject to the tax if the base product or other intermediate form  
22 thereof has previously been taxed under this section.

23 **SECTION 2.** The amendments to ORS 323.505 by section 1 of this 2007 Act apply to to-  
24 bacco products tax reporting periods beginning on or after the effective date of this 2007 Act.

25 **SECTION 3.** This 2007 Act takes effect on the 91st day after the date on which the reg-  
26 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.