

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
75th Oregon Legislative Assembly  
2009 Regular Session  
Legislative Revenue Office

Bill Number: SB 39 A  
Revenue Area: Cigarette Tax  
Economist: Dae Baek  
Date: April 8, 2009

**Measure Description:** Dedicates 3.55% of the General Fund (GF) portion of cigarette taxes for rural health safety net programs and services. Appropriates moneys from General Fund to Rural Health Care Revolving Account for rural health safety net programs and services. Declares emergency, effective July 1, 2009.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State Funds (GF)*	-\$ 3.04	-\$ 2.86	-\$ 5.90	-\$ 5.37	-\$ 4.94
Office of Rural Health*	\$ 3.04	\$ 2.86	\$ 5.90	\$ 5.37	\$ 4.94
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

\*These figures are not net of Tobacco Task Force expenses.

**Impact Explanation:** This bill dedicates 3.55% of the General Fund (GF) portion of cigarette taxes imposed by ORS 323.030 to the Office of Rural Health to be used for rural health safety net programs and services. ORS 323.030 imposes cigarette tax at the rate of 58 cents per pack, and GF portion is 89.65% of the tax. Accordingly, this bill dedicates slightly less than 1.85 cents per pack to the Office of Rural Health.

March 2009 Oregon Economic and Revenue Forecast (Table B.6) forms the basis for this revenue impact analysis. Cigarette tax per pack at the time of this analysis is \$1.18. Total cigarette taxes for the FY 2009-11 are estimated to be \$377.1 million. At this point, expenses for Tobacco Task Force have not been determined. When the Office of Rural Health is required to contribute its share to these expenses, there will be a small decline in the dedicated funds to the Office of Rural Health.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No