

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

Bill Number: HB 2379  
Revenue Area: Cigarette Tax  
Economist: Dae Baek  
Date: April 21, 2009

**Measure Description:** Imposes additional tax of 7 cents per pack on distributions of cigarettes. Applies to distributions on or after January 1, 2010. Continuously appropriates moneys collected from tax to Department of Revenue to be distributed to specified entities, funds and accounts. Takes effect on 91st day following adjournment sine die.

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

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State Funds (GF)	\$ 0.13	\$ 0.24	\$ 0.36	\$ 0.45	\$ 0.41
Oregon Department of Transportation	\$ 3.65	\$ 6.85	\$ 10.49	\$ 12.88	\$ 11.85
Cities	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.06
Counties	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.06
Tobacco Use Reduction	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.06
Oregon Health Plan	\$ 0.49	\$ 0.93	\$ 1.42	\$ 1.75	\$ 1.61
<b>Total*</b>	<b>\$ 4.33</b>	<b>\$ 8.13</b>	<b>\$ 12.45</b>	<b>\$ 15.28</b>	<b>\$ 14.06</b>

\*All the figures are not net of Tobacco Task Force expenses. At the time of this analysis, the expenses for Tobacco Task Force have not been determined.

**Impact Explanation:** March 2009 Oregon Economic and Revenue Forecast (Table B.6) forms the basis for this revenue impact analysis. The March 2009 cigarette tax forecast for the FY 2009-11 is \$377.1 million. The forecast incorporated April 1, 2009 federal cigarette tax increase.

The state cigarette tax per pack at the time of analysis is \$1.18. HB 2379 imposes additional tax of 7 cents per pack on distributions of cigarettes and specifies the distribution of additional cigarette taxes as follows: 84.28 percent to the Department of Transportation for transportation services of elderly and disabled individuals, 0.45 percent each to cities, counties, and Tobacco Use Reduction, 11.44 percent to Oregon Health Plan, and 2.93 percent to General Fund.

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