

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

**Bill Number: HB 2672**  
**Area:** Excise Tobacco Taxes  
**Economist:** Mazen Malik  
**Date:** 3/24/2009

**Measure Description:**

Increases tax on moist snuff. Requires tobacco companies who did not enter into the Smokeless Tobacco Master Settlement Agreement to become participants in the agreement, or place amounts similar to those required by the agreement into an escrow account. Prohibits the sale of unreported products and provides for penalties for non-compliance. Appropriates funds for enforcement; appropriates revenue for shaken baby prevention and child abuse examinations.

**Revenue Impact:**

The suggested rate of taxation based on weight is not yet determined. The per ounce tax rate will be determined by the revenue committee and amended into the bill. The new rate might be revenue neutral or increase revenue collection from smokeless tobacco. Collections and distributions of new revenue will be further established in the subsequent committees.

**Impact Explanation:**

The measure changes the way by which moist snuff is taxed. The current method of taxing moist snuff is the same as the rest of the Other Tobacco Products (OTP), which is 65% of the wholesale price. For moist snuff the method of taxation will change to a weight based (per ounce) tax. The amount of the weight-based tax and resulting revenue are not yet determined. However, the bill directs funds to health and wellness (shaken baby prevention and child abuse examinations) programs and enforcement of tobacco related regulations.

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

State Capitol Building  
900 Court St NE, Room 143  
Salem, OR 97301-1347

Phone: 503-986-1266  
Fax: 503-986-1770  
<http://www.leg.state.or.us>