

House Bill 2379

Sponsored by Representative BEYER (Pre-session filed.)

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**.

Imposes additional tax 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.

Establishes inventory and reporting requirements for cigarette distributors.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cigarette taxation; appropriating money; prescribing an effective date; and providing for
3 revenue raising that requires approval by a three-fifths majority.

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

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 323.005 to**
6 **323.482.**

7 **SECTION 2. (1) Notwithstanding ORS 323.030 (2) and in addition to and not in lieu of any**
8 **other tax, every distributor shall pay a tax upon distributions of cigarettes at the rate of**
9 **3-1/2 mills for the distribution of each cigarette in this state.**

10 **(2) Any cigarette for which a tax has once been imposed under ORS 323.005 to 323.482**
11 **may not be subject, upon a subsequent distribution, to the taxes imposed by ORS 323.005 to**
12 **323.482.**

13 **SECTION 3. (1) All moneys received by the Department of Revenue from the tax imposed**
14 **by section 2 of this 2009 Act shall be paid over to the State Treasurer to be held in a suspense**
15 **account established under ORS 293.445. All amounts in the account are continuously appro-**
16 **priated to the department. After payment of refunds the department shall distribute:**

17 **(a) 84.28 percent to the Department of Transportation for the purpose of financing and**
18 **improving transportation services for elderly and disabled individuals as provided in ORS**
19 **391.800 to 391.830;**

20 **(b) 0.45 percent to the cities of this state;**

21 **(c) 0.45 percent to the counties of this state;**

22 **(d) 0.45 percent to the Tobacco Use Reduction Account established under ORS 431.832;**

23 **(e) 11.44 percent to the Oregon Health Plan Fund established under ORS 414.109; and**

24 **(f) 2.93 percent to the General Fund.**

25 **(2)(a) Moneys distributed to cities and counties under this section shall be distributed to**
26 **each city or county using the proportions used for distributions made under ORS 323.455.**

27 **(b) Moneys shall be distributed to cities, counties and the Elderly and Disabled Special**
28 **Transportation Fund under this section at the same time moneys are distributed to cities,**
29 **counties and the Elderly and Disabled Special Transportation Fund under ORS 323.455.**

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.

1 **SECTION 4.** Section 2 of this 2009 Act applies to distributions of cigarettes occurring on
2 or after January 1, 2010.

3 **SECTION 5.** (1) Every distributor must take an inventory, as of 12:01 a.m. on January
4 1, 2010, of all packages of cigarettes to which are affixed Oregon cigarette tax stamps and
5 of all unaffixed Oregon cigarette tax stamps in the possession of or under the control of the
6 distributor.

7 (2) Every distributor must file a report with the Department of Revenue on or before
8 January 21, 2010, in such form as the department may prescribe, showing:

9 (a) The number of Oregon cigarette tax stamps, with the designations of the stamps, that
10 were affixed to packages of cigarettes in the possession of or under the control of the dis-
11 tributor at 12:01 a.m. on January 1, 2010; and

12 (b) The number of unaffixed Oregon cigarette tax stamps, with the designations of the
13 stamps, that were in the possession of or under the control of the distributor at 12:01 a.m.
14 on January 1, 2010.

15 (3) The amount of tax required to be paid with respect to the affixed Oregon cigarette
16 tax stamps shall be computed pursuant to section 2 of this 2009 Act and remitted with the
17 distributor's report. Any amount of tax not paid within the time specified for the filing of
18 the report shall bear interest at the rate established under ORS 305.220 per month, or frac-
19 tion of a month, from the due date of the report until paid.

20 **SECTION 6.** This 2009 Act takes effect on the 91st day after the date on which the reg-
21 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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