

The main problem with these amendments is that both of them have very small cigarette tax increases (and also small-ish OTP tax increases). See below for a breakdown of what each amendment proposes for tobacco taxes.

HB 2456-A23 (<https://olis.leg.state.or.us/liz/2013R1/Downloads/ProposedAmendment/2871>)

- By my calculation, the cigarette tax would ONLY be increased by 10 cents per pack.
- Increase in cigar tax to 70% wholesale price (from 65%), BUT keeps the tax cap at 50-cent per cigar – BAD
- Moist snuff tax increased from \$1.78 to \$1.96 per ounce (or \$1.63 per 1.2 ounce tin) and minimum tax increases from \$2.14 per container to \$2.35 per container. This is pretty good, especially considering the proposed cigarette tax is lower (\$1.28).
- Increase OTP tax from 65% to 70%.
- Still subjects the moist snuff tax to an inflation adjustment starting in 2019 by only a quarter of the CPI adjustment factor – this is lame. Not terrible, but really not an effective level of increase that would make any public health impact (and probably just a very minimal revenue impact since it would be such a small change).
- Tax increases would go into effect Jan 2014. That’s also lame. It gives people way too much lead time to be effective because they can stock up in the months leading up to the increase.
- Revenues from the proposed 10-cent cigarette tax increase would go to the OR Health Authority Fund (after refunds paid).
- 10% of revenues from the OTP tax will go to the OR Health Authority Fund (new allocation), while the percentage allocated to the Tobacco use Reduction Account is LOWERED from 4.62% to 4.2%. **Obviously, that’s bad.**
- Floor stocks tax included – this is good. Revenues from the floor stocks taxes will go to the OR Health Authority Fund.

HB 2456-A24 (<https://olis.leg.state.or.us/liz/2013R1/Downloads/ProposedAmendment/2872>)

- Increases the cigarette tax by 25 cents per pack
- Increase in cigar tax from 65% to 77.5% wholesale price, and increases the cigar tax cap to still only 56 cents per cigar – STILL BAD
- Moist snuff tax increased from \$1.78 to \$2.00 per ounce (or \$2.40 per 1.2 ounce tin) and minimum tax increases from \$2.14 per container to \$2.40 per container. This is pretty good, especially considering the proposed cigarette tax is lower (\$1.43).
- Increase OTP tax from 65% to 77.5%.
- Still subjects the moist snuff tax to an inflation adjustment starting in 2019 by only a quarter of the CPI adjustment factor – this is lame. Not terrible, but really not an effective level of increase that would make any public health impact (and probably just a very minimal revenue impact since it would be such a small change).
- Revenues from the proposed 25-cent cigarette tax increase would go to the OR Health Authority Fund (after refunds paid).
- 16% of revenues from the OTP tax will go to the OR Health Authority Fund (new allocation).
- Tax increases would go into effect Jan 2014. See note above about late effective date.
- Floor stocks tax included – this is good. Revenues from the floor stocks taxes will go to the OR Health Authority Fund.

Beverly J. May

***Director, Western Region and Ohio
Campaign for Tobacco-Free Kids***

1914 East 9400 South #261

Sandy, Utah 84093

C- 801.824.0084

O- 202.481.9384 (direct)

O- 801.942.7238

[*bmay@tobaccofreekids.org*](mailto:bmay@tobaccofreekids.org)