

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative  
Assembly  
2013 Regular Session  
Legislative Revenue Office

Bill Number: HB 2870 - A4  
Revenue Area: Cigarette Tax  
Economist: Dae Baek  
Date: 6/27/2013

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:** Removes prohibition against the imposition of cigarette and tobacco taxes by a county. Sets limits on cigarette and tobacco tax rates that can be imposed by a county. Requires that at least 40 percent of the revenue collected from taxes on cigarettes and tobacco products be used for public health programs or services and mental health and addiction services and programs. Takes effect on the 91st day after adjournment sine die.

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

**Impact Explanation:** This bill allows a county to impose cigarette and tobacco taxes. The imposition of taxes on cigarettes and tobacco products by the county will in general lead to higher prices and lower consumption of the products in that county. While the county is likely to raise revenue with imposition of these taxes, the state will likely lose revenue due to lower consumption. It is not known how many counties, if any, will impose cigarette or tobacco taxes and if so, at what rates.

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