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Revenue Implications of SB 415 (As amended -1)

Oregon OTP Tax Receipts

2012 / 2013 FY	\$56,690,359
2013 / 2014 FY	\$56,370,715

Estimated Product Market Share

Moist snuff (chewing tobacco)	80%
Cigars	10%
All other	10%

Revenue Distribution

(ORS 323.625)

Revenue distributed to General Fund with subsequent distributions to the Oregon Health Plan and the Tobacco Use Reduction Account.

Oregon Health Plan / Medical Assistance	41.54%
Tobacco Use Reduction Account	4.62%

Revenue Implications Based on 2013 / 2014 FY OTP Receipts

Loss of flavored moist snuff – est. @ 55% flavored – General Fund (80% x \$56,370,715 x 55%)	(-\$24,803,114)
Loss to OHP (41.54% x \$24,803,114)	(-\$10,303,214)
Loss of flavored cigars – est. @ 85% flavored – General Fund (10% x \$56,370,715 x 85%)	(-\$4,791,510)
Loss to OHP (41.54% x \$4,791,510)	(-\$1,990,393)
Loss of flavored “all other” – est. @ 25% flavored – General Fund (10% x \$56,370,715 x 25%)	(-\$1,409,268)
Loss to OHP (41.54% x \$1,409,268)	(-\$585,410)

***Based on 2013/2014 FY OTP receipts, a ban on flavored tobacco could result in a revenue loss of approximately \$31 million per year or \$62 million during the state's 2015 / 2017 biennium.*