

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: SB 663 - A
Revenue Area: Tobacco Taxes
Economist: Kyle Easton
Date: 4/23/2015**

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

Measure Description:

Requires premises where person makes retail sales of tobacco products and inhalant delivery systems to be licensed by Oregon Liquor Control Commission. To qualify for license, a premise must have a physical address, may not be located at the same address as a residence, and may not be located within 1,000 feet of a public or private school. Specifies that measure does not prohibit governing body of local government from adopting additional licensing requirements or adopting further restricting rules regarding retail sales of tobacco or inhalant delivery systems. Premises that apply for a license no later than one month after July 1, 2017 or that are licensed prior to date on which a school is first attended by students, may sell tobacco products and inhalant delivery systems within 1,000 feet of a public or private school. Prohibits retailers from selling tobacco products or inhalant delivery systems for free or nominal price, offering discounted pricing for purchases of greater quantity, and redeeming of coupons. Measure becomes operative on July 1, 2017.

Increases legal age for possession of tobacco products to 21 years of age. Establishes legal age for possession of inhalant delivery system as 21 years of age. Prohibits sales of tobacco products, tobacco product devices and inhalant delivery systems to persons less than 21 years of age. Declares emergency, effective on passage.

Revenue Impact (in \$Millions):

A subsequent referral of this measure to Senate Finance and Revenue has been requested. This statement is solely issued to facilitate the referral of this measure to the Senate Finance and Revenue Committee. A more complete revenue impact statement will be developed at that time.

Impact Explanation:

The measure as amended would have an impact upon revenues received through the taxation of cigarette and other tobacco products. Increasing the legal age at which individuals can purchase and possess tobacco products will decrease taxed consumption. Requiring licenses for retail sales establishments of tobacco products and inhalant delivery systems could impact revenues by reducing untaxed consumption and reducing taxed consumption by underage consumers. Prohibiting licenses for establishments located within 1,000 feet of a school could have short and long term impacts upon revenues depending upon the number of establishments that apply for a license within allotted time period. The prohibitions on retail sales practices would have minimal initial effects upon tax receipts but could have longer term effects as new products entering the market could be reduced.

Creates, Extends, or Expands Tax Expenditure: Yes No

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