

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2018 Regular Session  
Legislative Revenue Office

**Bill Number:** SB 1528 - B15  
**Revenue Area:** Cigarette/Nicotine  
**Economist:** Kyle Easton  
**Date:** 2/28/2018

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

**Measure Description:**

Beginning January 1, 2019, increases cigarette tax by \$0.30 per pack of twenty cigarettes. Imposes floor tax upon dealers and distributors of cigarettes effective January 1, 2019. Modifies distributions of cigarette tax receipts as prescribed in ORS 323.457 to require 15/45 of tax cigarette tax imposed under ORS 323.031 to be appropriated to Department of Human Services to provide immediate relief to the child protective services system by funding a rapid response team.

Beginning January 1, 2019, imposes tax upon inhalant-form nicotine. Tax imposed at rate of \$0.05 on each container of inhalant-form nicotine with a volume of two milliliters or less and or \$0.10 on each container with volume greater than two milliliters. Tax is imposed upon nicotine retailer or consumer at the point of first sale in this state. Specifies administration and collection responsibilities of inhalant wholesalers, nicotine retailers and Department of Revenue. Allows nicotine retailers to deduct and retain 2% of amount of taxes that are collected. Specifies first \$2 million per biennium of tax receipts after deducting administrative and enforcement expenses, to be transferred to the Oregon Department of Administrative Services to provide funding for CASA Volunteer Programs. Remaining tax receipts appropriated to Department of Human Services to provide immediate relief to the child protective services system by funding a rapid response team.

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

Impact of increasing the cigarette tax by \$0.30 per pack is estimated to raise roughly \$70 million per biennium with the floor tax imposed in January 1, 2019 expected to raise \$2 million. At this time, more analysis is required to prepare an estimate relating to the proposed tax on inhalant-form nicotine. The measure as amended has a subsequent request to the Joint Ways and Means Committee. Further analysis will be done at that time.

Further Analysis Required

**Impact Explanation:**

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