

## HB 2159 STAFF MEASURE SUMMARY

### House Committee On Health Care

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**Prepared By:** Oliver Droppers, LPRO Analyst  
**Sub-Referral To:** House Committee On Revenue  
**Meeting Dates:** 2/5

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#### WHAT THE MEASURE DOES:

Defines terms. Imposes a tax on distribution of inhalant nicotine products based on percentage of wholesale price. Requires inhalant product distributors to submit quarterly payment the Department of Revenue (Department). Establishes and requires licensure of inhalant product distributors. Grants the Department authority to engage in rulemaking; cancel, suspend, or revoke licenses distributed to an inhalant product distributor. Establishes civil and criminal penalties, penalty amounts. Applies to inhalant product sold on or after January 1, 2020.

*REVENUE: Revenue impact statement issued.*

*FISCAL: Fiscal impact statement issued.*

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

According to the Legislative Revenue Office (LRO), Oregon imposes taxes, referred to as an excise tax, on the distribution of all tobacco products in Oregon (e.g., cigarettes, cigars, snuff). The first tobacco excise tax was passed in 1966 – a \$.04 tax per pack on cigarettes. Taxes are levied on each cigarette and as a percent of wholesale price of other tobacco products. Taxes are also levied on other tobacco products including cigars and snuff.

House Bill 2159 expands the definition of tobacco products; imposes taxes on inhalant forms of nicotine.