

HB 2169 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To: House Committee On Revenue
Meeting Dates: 2/5

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:

In Oregon, a percentage of revenue from tobacco taxes is used to fund the state's Medicaid program (Oregon Health Plan - OHP). According to LRO, as of January 1, 2019, the tax rate per pack of cigarettes was \$1.33 with 86 cents of that revenue allocated to funding OHP, and approximately 41.5 percent of all tax revenue generated from "other tobacco products" is distributed to OHP.

House Bill 2169 expands the definition of tobacco products; imposes taxes on inhalant forms of nicotine.