

**HB 2270 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Kaitlyn Harger, Economist

**Meeting Dates:** 4/10, 4/11

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**WHAT THE MEASURE DOES:**

Increases tax rate on cigarette distribution. Adds to statute definition of inhalant delivery system and correspondingly imposes current tobacco tax on these systems. Classifies the sale of cigarettes or cigars in packages with fewer than 20 cigarettes or cigars illegal unless the wholesale price of the individual cigar or cigarette exceeds \$3. Applies to tobacco tax reporting periods beginning on or after January 1, 2020. Takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Recently, the US has seen an increase in the development and use of inhalant delivery systems and inhalant forms of nicotine (i.e. e-cigarettes and vapor based products). Currently, these systems and forms of nicotine are not taxed within Oregon. According to the Public Health Law Center, as of December 15th, 2018 ten states tax inhalant forms of nicotine. This bill defines these new forms of tobacco use in statute and establishes a tax structure for this form of tobacco.