

**FISCAL IMPACT OF PROPOSED LEGISLATION**

80th Oregon Legislative Assembly – 2019 Regular Session  
Legislative Fiscal Office

**Measure: HB 2270 - 14**

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

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**Measure Description:**

Increases tax on distribution of cigarettes.

**Government Unit(s) Affected:**

Counties, Department of Revenue (DOR), Oregon Health Authority (OHA), Cities, Oregon Department of Transportation (ODOT)

**Analysis:**

This fiscal impact statement is submitted to transmit the measure from the House Committee on Revenue to the Joint Committee on Tax Expenditures.

The measure increases the tax rate on cigarette distributions. It dedicates taxes from the additional cigarette tax rate to the state’s medical assistance program including mental health services, and various programs addressing tobacco and nicotine use-related health issues. It amends expense payment provisions in tobacco tax administration and enforcement. It prescribes a floor tax and dedicates such tax to the Oregon Health Authority Fund. It includes little cigars in the definition of cigarettes. It adds to statutes the definition of inhalant delivery system for taxing tobacco products. It dedicates taxes from inhalant delivery system to the state’s medical assistance program including mental health services, and various programs addressing tobacco and nicotine use-related health issues. It removes the cap on the cigar tax. It makes the sale of cigarettes in packages with fewer than 20 cigarettes illegal. It makes the sale of cigars illegal unless the wholesale price of the individual cigar exceeds \$3. It applies to reporting periods beginning on or after January 1, 2021. It specifies reporting and information sharing mechanism. It is to be referred to voters in the next general election for approval or rejection.

The measure is anticipated to have an impact on the Department of Revenue, Oregon Health Authority, Oregon Department of Transportation, Counties, and Cities.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Tax Expenditures.

**Further Analysis Required**