

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 2159

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

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Measure Description:

Imposes tax on distribution of inhalant product based on percentage of wholesale sales price.

Government Unit(s) Affected:

Criminal Justice Commission (CJC), Cities, Department of Revenue (DOR), Oregon Judicial Department (OJD) Department of Justice (DOJ), Department of Corrections (DOC), Counties, District Attorneys and their Deputies (DAs), Public Defense Services Commission (PDSC)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Health Care to the House Committee on Revenue.

The measure would tax any distribution of “inhalant products,” colloquially known as “vaping” or “vape” products, based on a percentage of their wholesale sales prices. The measure defines “inhalant product” as any substance sold for the purpose of being vaporized or aerosolized, thus excluding cigarettes, tobacco products, and cannabinoids (marijuana). The measure would require businesses to obtain an inhalant product distributor’s license from the Department of Revenue (DOR) to sell inhalant products. Licensees would be required to pay a quarterly tax to DOR, which would become operative on January 1, 2020. The tax would apply to all sales of inhalant products occurring on or after January 1, 2020. The measure would also impose civil and criminal penalties for any unlawful distribution of inhalant product.

The measure is anticipated to have an impact on the Criminal Justice Commission, Cities, Department of Revenue, Oregon Judicial Department, Department of Justice, Department of Corrections, Counties, District Attorneys and their Deputies, and the Public Defense Services Commission.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Revenue.

Further Analysis Required