

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: HB 2270

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

Prepared by: Michael Graham
Reviewed by: John Borden, Tom MacDonald, Gregory Jolivette, Ken Rocco
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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 for the purpose of transmitting the measure from the House Committee on Health Care to the House Committee on Revenue.

The measure would increase the tax on the distribution of cigarettes from 30 mills to 130 mills for the distribution of each cigarette in the state. Tax revenues would be distributed to cities, counties, and designated state agencies pay for tobacco use prevention, chronic disease prevention and health-related programs. The measure would also impose a floor tax of 100 mills for each cigarette in the possession of a dealer, and a floor tax and cigarette adjustment indicia tax on every distributor of either two dollars (\$2.00) or two dollars and fifty cents (\$2.50). The measure would expand the definition of “tobacco products” to include inhalant delivery devices for purposes of taxation, excluding inhalant delivery devices sold in medical marijuana dispensaries for vaporizing or aerosolizing marijuana items. The measure would also remove the limit on taxes imposed on higher-priced cigarettes. The measure would also prohibit the sale of cigarettes and certain cigars in packages containing fewer than 20. The measure would apply to cigarette tax reporting periods beginning on or after January 1, 2020, including inventories not yet sold to consumers.

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

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