

HB 2159 STAFF MEASURE SUMMARY

House Committee On Health Care

Action Date: 02/05/19

Action: Without recommendation as to passage, refer to Revenue by prior reference.

Vote: 11-0-0-0

Yeas: 11 - Alonso Leon, Boles, Drazan, Greenlick, Hayden, Keny-Guyer, Mitchell, Noble, Nosse, Prusak, Salinas

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/5

WHAT THE MEASURE DOES:

Imposes tax on distribution of inhalant nicotine products based on percentage of wholesale price. Requires inhalant product distributors to submit quarterly payment to the Department of Revenue (DOR). Establishes regulatory structure administered by DOR, to license inhalant product distributors. Authorizes DOR to cancel, suspend, or revoke licenses distributed to an inhalant product distributor. Establishes civil and criminal penalties. Defines terms.

ISSUES DISCUSSED:

- Purpose of moving the measure to House Revenue Committee

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Legislative Revenue Office (LRO), Oregon imposes taxes, referred to as an excise tax, on the distribution of all tobacco products in Oregon (e.g., cigarettes, cigars, snuff). The first tobacco excise tax was passed in 1966 – a \$.04 tax per pack on cigarettes. Taxes are levied on each cigarette and as a percentage of the wholesale price of other tobacco products. Taxes are also levied on other tobacco products including cigars and snuff.

House Bill 2159 expands the definition of tobacco products to include inhalant forms of nicotine in order for relevant taxes to apply, and requires the Department of Revenue to regulate inhalant product distributors.