

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number: HB 3090 - A
Revenue Area: Tobacco Tax
Economist: Dae Baek
Date: 04/05/2023

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

Measure Description:

Prohibits distributing, selling, attempting to sell, or allowing to be sold a flavored inhalant delivery system product or flavored tobacco product in Oregon. Starts the prohibition on July 1, 2024.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2023-24	2024-25	2023-25	2025-27	2027-29
Cigarette Tax	\$0	-\$52.8	-\$52.8	-\$101.6	-\$98.1
Other Tobacco Product Tax (ex. Inhalant Delivery System)	\$0	-\$26.6	-\$26.6	-\$53.2	-\$53.3
Inhalant Delivery System	\$0	-\$12.4	-\$12.4	-\$27.6	-\$25.5
Total	\$0	-\$91.8	-\$91.8	-\$182.4	-\$176.9

Note: This analysis uses information contained in Table B.6 of Cigarette and Tobacco Tax Distribution forecast published by the Oregon Office of Economic Analysis in March 2023.

Impact Explanation:

The measure implements a comprehensive, flavored-tobacco products ban, starting from July 1, 2024. While there are academic and anecdotal studies providing a wide range of stamped sales and revenue loss estimates following a ban, the experience in Massachusetts influences the analysis here due to the nature of the ban and the proximity to other states without any ban. Efforts have been made to take into consideration differences in smoking population and the percentage of menthol cigarette use among cigarette smokers.

Leading up to the start of the ban on July 1, 2024, it is conceivable that a behavioral change occurs in tobacco product consumption in general, or there could be substantial purchasing activity on the part of consumers prior to the ban taking effect. None of these considerations have been incorporated in the analysis.

Creates, Extends, or Expands Tax Expenditure: Yes No

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