

HB 247 increases the following tobacco taxes effective August 1, 2016 as detailed below:

Description	Current Rate	Proposed Rate
Surtax on each 20 cigarettes:	\$ 0.56	\$ 1.06
Excise tax on 1.5 oz snuff:	\$ 0.19	\$ 0.23
Excise tax on single unit of chewing tobacco:	\$ 0.19	\$ 0.23
Excise tax on each half-pound of chewing tobacco:	\$ 0.40	\$ 0.48
Excise tax on each pound of chewing tobacco:	\$ 0.65	\$ 0.78
Excise tax on each 4 oz unit over a pound:	\$ 0.23	\$ 0.19
Excise tax on tobacco products sold except snuff and chewing tobacco (based on distributor price):	15%	18%
Excise tax on untaxed tobacco products purchased by retailer, except snuff and chewing tobacco:	15%	18%

HB 247 also provides for a one time floor tax based on a physical inventory of tobacco products in the control of retailers and sub-jobbers as of 11:59 p.m. on July 31, 2016. The floor stock tax may be paid in three installments. The proposed floor tax rates are detailed below:

Description	Proposed Rate
Floor stock tax on each 20 cigarettes (one-time tax):	\$ 0.50
Floor stock tax on each unit of snuff:	\$ 0.04
Floor stock tax on each unit of chewing tobacco:	\$ 0.04
Floor stock tax on each half-pound of chewing tobacco:	\$ 0.08
Floor stock tax on each pound of chewing tobacco:	\$ 0.13
Floor stock tax on the actual amount paid for the E-cigs:	18%
Floor stock tax on all other types of tobacco products:	5%

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The impact of HB 247 on local governments is expected to be nil.

The tobacco surtax and the tobacco excise taxes are state-levied and no funds derived from these taxes benefit local governments directly.

Data Source(s): LRC Staff

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 1/28/16