

FISCAL NOTE

Requested by Legislative Council

01/30/2001

Bill/Resolution No.: SB 2408

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds

Revenues

Expenditures

Appropriations

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2408 changes the taxation of tobacco products from 28% of wholesale price to a series of per ounce taxes, depending upon the type of product. For some types of product, this would be a tax increase, for others a tax decrease. Although we do not have complete detail on the amount of each type of product that is consumed in the state (current reporting forms do not require such detail) we believe the bill is overall close to revenue neutral for the 01-03 biennium. The current forecast for tobacco products is \$2.023 million for FY 02 and \$2.043 million for FY 03. This increase in forecasted revenue between the two years is primarily due to forecasted product price increases. Upon passage, SB 2408 would fix the tax on a per unit basis so future revenues would fluctuate based on consumption only.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Tax Department
Date 02/12/2001
Prepared: