

FISCAL NOTE
Requested by Legislative Council
01/21/2015

Bill/Resolution No.: SB 2322

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$121,700,000			
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2322 increases cigarette and tobacco excise tax rates.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of SB 2322 increases the tobacco excise tax rates: (1) from 28% to 50% of the wholesale purchases price on other tobacco products, (2) from \$.60 to \$2.10 per ounce for snuff, and (3) from \$.16 to \$.56 per ounce for chewing tobacco. Section 5 of SB 2322 increases the tax from \$.44 to \$2.00 per package of 20 cigarettes. If enacted, these tax increases are expected to increase total cigarette and tobacco tax revenue by an estimated \$121.7 million in the 2015-17 biennium. This estimate assumes a drop in cigarette consumption of approximately 16% and a drop in consumption of other tobacco products of 15%.

The bill distributes all additional revenue to the state general fund.

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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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