

FISCAL NOTE

Requested by Legislative Council
01/03/2003

Bill/Resolution No.: SB 2076

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$29,729,000			
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
				(\$84,000)				

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

SB 2076 increases the cigarette tax rate from \$.44 to \$.79 per package of 20 cigarettes. The wholesale tax rates on other tobacco products are increased by a similar percentage. If enacted, SB 2076 is estimated to increase state general fund revenues by \$29,729,000 during the 2003-05 biennium. There is a small corresponding loss to cities due to the estimated drop in cigarette consumption caused by the increase in overall prices. We estimate this drop in city tax revenues at \$84,000 for the 2003-2005 biennium.

NOTE: This fiscal impact is included in the Governor's budget.

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.*

Name: Kathryn L. Strombeck **Agency:** Tax Dept.

Phone Number: 328-3402

Date Prepared: 02/04/2003