



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 669** HLS 25RS 1363  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** June 16, 2025 7:52 AM **Author:** RISER  
**Dept./Agy.:** Revenue/ATC **Analyst:** Deborah Vivien  
**Subject:** Provides for a discount on cigarette tax

TAX/EXCISE EN SEE FISC NOTE GF RV See Note Page 1 of 1  
 Continues a portion of the excise tax levied on cigarettes in statute and authorizes a reduced excise tax rate on certain tobacco products  
Current law imposes a cigarette excise tax of \$1.08 per pack in 7 different levies, 6 of which (\$1.04) are statutory and 1 of which (4 cents) is constitutional. Current law dedicates about 15% of the proceeds to various uses, primarily health related.

Proposed law retains current law regarding dedications and maintains the excise tax of \$1.08 per pack, but places the constitutional levy of 4 cents per pack into statute.

Proposed law defines "tobacco substitute" for clarification of taxable smokeless tobacco products and includes heated tobacco rolls in the definition of cigarette, subjecting heated tobacco products (not currently sold in the state) to the cigarette excise tax.  
 Effective July 1, 2025

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>SEE BELOW</b>					
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure as current taxation remains unchanged.

The bill does not change the cigarette excise tax but moves the entire cigarette tax rate structure into statute.

The bill codifies the definition of "tobacco substitute" as a smokeless tobacco product with the same parameters as in rule and subject to taxation in the same manner as current practice.

The bill also defines a heated tobacco product within the definition of a cigarette, subjecting these products to the cigarette excise tax. These products are subject to taxation as a cigarette but are not currently sold in the state and, thus, not taxed or legally tested. Per testimony, heated tobacco products cannot be sold in the state until they are taxed. Once sold in the state, the proceeds of the excise tax from these products will flow to the same statutory dedications as the cigarette excise tax with the remainder flowing to the state general fund.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
 Alan M. Boxberger  
 Legislative Fiscal Officer