

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 477** HLS 15RS 873

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 19, 2015 1:28 PM	Author: MONTOUCET
Dept./Agy.: Revenue/Alcohol and Tobacco Control	Analyst: Deborah Vivien
Subject: Minimum pricing of cigarettes	

TOBACCO/TOBACCO PRODUCTS EG NO IMPACT GF RV See Note
Provides for minimum pricing of cigarettes

Proposed law defines rebate or coupon, replacement cost, retail sales, wholesale sales and trade discount for tobacco products. The bill also stipulates that a dealer operating as a wholesaler and retailer will apply the portion of the business related to each to those provisions of the law. The bill allows the Commissioner of the ATC to suspend or revoke the permit of a dealer delinquent in any state taxes and provides for minimum price reporting and computation. Prices set forth in advertising are also bound by the provisions of the law. Penalties for non-compliance include suspension or revocation of the dealer's permit.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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. The state sells tobacco stamps in order to collect state taxes on cigarettes and other tobacco products. This bill does not appear to change the tobacco stamp provisions and adjustments to the minimum price calculation do not appear to be of a magnitude great enough to impact consumption to the degree that stamp sales will change materially. However, should sales be impacted, tobacco tax proceeds would also change.

- | | | | |
|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Gregory V. Albrecht
Chief Economist