

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 55<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3210</b>
<b>Version:</b>	<b>CS</b>
<b>Request Number:</b>	<b>9985</b>
<b>Author:</b>	<b>Rep. Sears</b>
<b>Date:</b>	<b>5/16/2016</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Revenue Increase</b>
	<b>FY-17: \$158.4 Million</b>
	<b>FY-18: \$190.1 Million</b>

**Research Analysis**

The CS for HB3210 increases the cigarette excise tax by \$1.50 per pack of cigarettes. Revenue collected from the increase will be credited to the Healthcare Revolving Fund and appropriated at the discretion of the Legislature to agencies for activities eligible to be matched with federal Medicaid dollars or mental health safety net services.

Prepared By: Quyen Do

**Fiscal Analysis**

From the Tax Commission:

Pursuant to the September 1, 2016 effective date, the estimated increase in cigarette tax revenues for FY 17 is \$158,430,269 [ $\$190,116,323 / 12 \text{ months} = \$15,843,027 \times 10 \text{ months} = \$158,430,269$ ]. For FY 18, the estimated increase in cigarette tax revenues is \$190,116,323.

All revenue derived from the levy is to be deposited in the newly created Healthcare Revolving Fund where the revenue will be budgeted and expended by eligible agencies on activities eligible to be matched with federal Medicaid dollars or mental health safety net services with priority towards stabilizing reimbursement rates and/or implementing a premium assistance plan.

Prepared By: Mark Tygret

**Other Considerations**

None.