

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2372
Version:	CS
Request Number:	7866
Author:	Rep. L. Osborn
Date:	5/8/2017
Impact:	Tax Commission: FY-18 Net Positive of \$215.0 Million

Research Analysis

The CS for HB2372 establishes a new cigarette tax equal to \$.075 per cigarette. For a standard package of 20 cigarettes, the tax amounts to \$1.50 per pack. The measure also creates several new funds that would be the beneficiary of the first \$185 million in new revenue resulting from the additional cigarette tax for the 10 month period between September 1, 2017 and June, 30, 2018. The apportionment of the first \$185 million is as follows:

- 50 percent to the Health Care Authority Enhancement Fund;
- 23 percent to the Mental Health and Substance Abuse Services Enhancement Fund;
- 14.5 percent to the Human Services Enhancement Fund;
- 5.4 percent to the Oklahoma State University Medical Authority Enhancement Fund;
- 2.7 percent to the Health Department Enhancement Fund.

Any excess revenue collected in FY18 over \$185 million would go to the General Revenue Fund.

After July 1, 2018, 100 percent of revenue from the additional cigarette tax would go to the Health Care Enhancement Fund.

Prepared By: Quyen Do

Fiscal Analysis

Tax Commission analysis indicates the FY-18 net positive revenue impact will approach \$215,000,000.

Prepared By: Mark Tygret

Other Considerations

None.