

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2372
Version:	FULLPCS3
Request Number:	7845
Author:	Rep. L. Osborn
Date:	5/8/2017
Impact:	Tax Commission:
	FY-18 Net Positive of \$215.0 Million

Research Analysis

The FULLPCS3 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.

- 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

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.