

# OKLAHOMA TAX COMMISSION

## FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST EXTRAORDINARY SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** September 25, 2017

**BILL NUMBER:** HB 1099x **STATUS AND DATE OF BILL:** Introduced 09/24/2017

**AUTHORS:** House Wallace & Casey Senate David & Fields

**TAX TYPE (S):** Cigarette Excise Tax **SUBJECT:** Rate Increase

**PROPOSAL:** New Law

The measure proposes a new additional levy on cigarettes at the rate of 75 mills per cigarette. [See attached for detailed analysis]

**EFFECTIVE DATE:** 90 days after sine die adjournment

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 18 - \$128,920,000 estimated increase in cigarettes tax collections

FY 19 - \$257,841,000 estimate increase in cigarettes tax collections

### ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 18: None

Sept. 26, 2017  
DATE

Rick Miller  
DIVISION DIRECTOR

msm & cjc

\_\_\_\_\_  
DATE  
9-26-17  
DATE

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REECE WOMACK, ECONOMIST  
Jim M. T.  
FOR THE COMMISSION

**ATTACHMENT TO FISCAL IMPACT-HB 1099x-[Introduced]-Prepared September 25, 2017**

Section one of the measure proposes a new additional levy on cigarettes at the rate of 75 mills per cigarette. This section also provides additional revenues attributable to the new levy less amounts rebated pursuant to tribal compacts are to be apportioned to the General Revenue Fund.

Section 2 of the measure prohibits the Oklahoma Tax Commission from selling cigarette excise tax stamps to any wholesaler in excess of the amount of the monthly average amount of such excise tax stamps sold to such wholesaler during the preceding calendar year prior to the effective date of Sections 1 and 2 of this Act unless the wholesaler can document to the satisfaction of the Tax Commission probable sales greater than those in the preceding calendar year.

Assuming an effective date of January 1, 2018 and applying the proposed increase to estimated pack sales would result in additional cigarette tax revenues as follows:

FY 18 - \$128,920,000 estimated increase in cigarettes tax collections [Six collection months]

FY 19 - \$257,841,000 estimate increase in cigarettes tax collections