



BILL/VERSION: SB 680/ ENGROSSED **ANALYST:** MM
AUTHORS: Sen. Paxton/Rep Caldwell **DATE:** 4/22/2025
TAX(ES): Cigarette Tax
SUBJECT(S): Tax Rate
EFFECTIVE DATE: November 1, 2025 **Emergency**

REVISED¹ ESTIMATED REVENUE IMPACT: Unknown.

ANALYSIS: The measure expands the definition of cigarettes in 68 O.S. § 301 to include “products that are intended to be heated or burned”. It establishes a 50% tax exemption for the sale of cigarettes designed to be heated rather than burned and mandates that the OTC issue stamps for these products before the effective date.

As this type of product is not currently sold in Oklahoma, the revenue impact is unknown.

Administrative Impact: A new excise tax stamp may be required, which increases the time required for implementation of the measure. Additionally, it is anticipated to result in a one-time administrative cost of approximately \$150,000.

¹ The OTC has done further research and has revised this revenue impact accordingly.

4/22/25
DATE

Huan Gong
DR. HUAN GONG, CHIEF TAX ECONOMIST

4/22/25
DATE

Marie Schuble
MARIE SCHUBLE, DIVISION DIRECTOR

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Joseph P. Gappa
JOSEPH P. GAPPA, FOR THE COMMISSION