

**FISCAL NOTE**

	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase			
GENERAL FUND	\$5,630,000	\$6,150,000	\$6,150,000
LOCAL SOURCES FUND	\$830,000	\$920,000	\$920,000

Source of revenue increase:

This bill increases the cigarette tax from \$0.60 per pack to \$0.84 per pack.

This bill also increases the tax on moist snuff from \$0.60 per ounce plus a proportionate tax at the same rate for any amount over 1 ounce to \$0.72 per ounce plus a proportionate tax at the same rate for any amount over 1 ounce.

Assumptions:

The cigarette tax rate increase would increase revenue to the General Fund in FY 2023 and FY 2024 by approximately \$5.2 million per year, and increase revenue to local governments in FY 2023 and FY 2024 by approximately \$920,000 per year. These estimates are based on the cigarette tax revenue forecasted in the January 2021 Consensus Revenue Estimating Group (CREG) forecast. These revenue increases are projected to be 20% less in the first 6 months of FY 2022 as wholesalers will likely be utilizing their current cigarette stamp inventory. It is assumed that cigarette tax consumption will not be impacted by the cigarette tax increase.

This moist snuff tax rate increase would increase revenue to the General Fund by approximately \$950,000 per year. This estimate is based on moist snuff tax collections in FY 2020. It is assumed that moist snuff consumption will not be impacted by the moist snuff tax increase.

**NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED**

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Revenue

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