

March 19, 1999

No. 14a

STATE OF NEW HAMPSHIRE

Legislative

SENATE CALENDAR

ADDENDUM

**THE SENATE WILL MEET IN SESSION TUESDAY, MARCH 23, 1999 AT
9:00 A.M.**

REPORTS

FINANCE

HB 112, increasing the tobacco tax . Vote 6-2

Ought to pass with amendment, Senator Squires for the committee.

AMENDMENTS

Senate Finance

March 18, 1999

1999-0475s

08/01

Amendment to HB 112-FN-A

Amend the title of the bill by replacing it with the following:

AN ACT increasing the tobacco tax and dedicating a portion of tobacco tax revenues to tobacco use prevention and cessation programs.

Amend the bill by replacing all after the enacting clause with the following:

1 Cigarette Tax. Amend RSA 78:7 to read as follows:

78:7 Tax Imposed. A tax upon the retail consumer is hereby imposed at the rate of ~~[37]~~ **40** cents for each package containing 20 cigarettes or at a rate proportional to such rate for packages containing more or less than 20 cigarettes, on all tobacco products sold at retail in this state. The payment of the tax shall be evidenced by affixing stamps to the smallest packages containing the tobacco products in which such products usually are sold at retail. The word "package" as used in this section shall not include individual cigarettes. No tax is imposed on any transactions, the taxation of which by this state is prohibited by the Constitution of the United States.

2 New Subdivision; Disposition of Tobacco Tax Revenues; Special Fund. Amend RSA 78 by inserting after section 31 the following new subdivision:

Disposition of Revenues

78:32 Disposition of Revenues. Three million dollars of the gross revenues collected under this chapter shall be deposited at the end of each fiscal year beginning June 30, 2000 in the tobacco use prevention and cessation fund established in RSA 78:33.

78:33 Tobacco Use Prevention and Cessation Fund. There is established within the office of the state treasurer a tobacco use prevention and cessation fund. Money from this fund shall be continually appropriated to the department of health and human services for tobacco use prevention and cessation programs and shall be allocated as follows:

<u>Percentage</u>	<u>Amount</u>
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I. Tobacco use prevention community programs and grants	25	\$750,000
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II. Tobacco use prevention school programs and grants	18	\$540,000
III. Tobacco use prevention state-wide programs and grants	15	\$450,000
IV. Tobacco use cessation programs	15	\$450,000
V. Tobacco use prevention and cessation counter marketing	18	\$540,000
VI. Evaluation	5	\$150,000
VII. Administration and enforcement	4	\$120,000

3 New Subparagraph; Special Fund. Amend RSA 6:12, I by inserting after subparagraph (vvv) the following new subparagraph:

(www) Three million dollars of the annual gross revenues of the tobacco tax collected under RSA 78, which shall be credited as provided in RSA 78:32 to the tobacco use prevention and cessation fund established under RSA 78:33.

4 Applicability. This act shall apply to all persons licensed under RSA 78:2. Such persons shall inventory all taxable tobacco products in their possession and file a report of such inventory with the department of revenue administration on a form prescribed by the commissioner within 20 days after the effective date of this act. The tax rate effective April 1, 1999, shall apply to such inventory and the difference, if any, in the amount paid previously on such inventory and the current effective rate of tax shall be paid with the inventory form. The inventory form shall be treated as a tax return for the purpose of computing penalties under RSA 21-J.

5 Effective Date. This act shall take effect April 1, 1999.

1999-0475s

AMENDED ANALYSIS

This bill increases the tobacco tax by 3 cents. The bill dedicates \$3,000,000 of annual tobacco tax gross revenues to a tobacco use prevention and cessation fund.

HEARINGS

MONDAY, MARCH 22, 1999

FINANCE, Room 103, SH

10:00 a.m. There Will Be A Briefing By The Sponsors On The Amendment To HB 109-FN-A-L, Establishing A Flat Rate Education Income Tax And Statewide Education Property Tax To Fund Public Education And Making AN Appropriation Therefor.