
H.B. 219 1st Sub. (Buff) - Tobacco Tax Increase

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill increases the tax on cigarettes, moist snuff, and other tobacco products. This increases revenue to the General Fund by \$25,900,000 in FY 2010. Each year the Economic and Statistical Unit of the Utah State Tax Commission will calculate the new tax rate based upon the average tax rate in 44 states and multiplied by a constant. Absent tax changes in other states, this bill increases revenue in FY 2011 by \$30,600,000 in that the tax changes in FY 2010 increase the national average.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	\$25,900,000	\$30,600,000
Total	\$0	\$0	\$0	\$0	\$25,900,000	\$30,600,000

Individual, Business and/or Local Impact

Local government sales tax revenue will increase by a total of \$26,000 in FY 2010 and \$31,000 in FY 2011. Businesses dealing in tobacco products will experience a decrease in revenue. Individuals will see the average price per pack increase to the national average in FY 2010. In FY 2011, individuals will see the price per pack increase or decrease depending upon the cigarette tax policy in other states.