

USE OF CIGARETTE TAX

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Steve Barth

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5 AN ACT RELATING TO REVENUE AND TAXATION; CREATING A RESTRICTED
6 ACCOUNT KNOWN AS THE "CIGARETTE TAX RESTRICTED ACCOUNT";
7 REQUIRING § ~~[\$1,000,000]~~ **\$250,000** § OF THE REVENUES GENERATED BY THE 1997 CIGARETTE
8 TAX INCREASE TO BE DEPOSITED ANNUALLY INTO THE ACCOUNT AND USED BY
9 THE ~~h [DIVISION OF SUBSTANCE ABUSE]~~ **DEPARTMENT OF HEALTH h** FOR A TOBACCO
9a PREVENTION AND
10 CONTROL MEDIA CAMPAIGN TARGETED TOWARDS CHILDREN; MAKING
11 TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

12 This act affects sections of Utah Code Annotated 1953 as follows:

13 AMENDS:

14 **59-14-204**, as last amended by Chapter 279, Laws of Utah 1997

15 *Be it enacted by the Legislature of the state of Utah:*

16 Section 1. Section **59-14-204** is amended to read:

17 **59-14-204. Tax basis -- Rate -- Future increase -- Restricted account -- Use of**
18 **revenues.**

19 (1) There is levied a tax upon the sale, use, or storage of cigarettes in the state.

20 (2) The rates of the tax levied under Subsection (1) are:

21 (a) 2.575 cents on each cigarette, for all cigarettes weighing not more than three pounds
22 per thousand cigarettes; and

23 (b) 3.175 cents on each cigarette, for all cigarettes weighing in excess of three pounds per
24 thousand cigarettes.

25 (3) The tax levied under Subsection (1) shall be paid by the manufacturer, jobber,
26 distributor, wholesaler, retailer, user, or consumer.

27 (4) The tax rates specified in this section shall be increased by the commission by the same

1 amount as any future reduction in the federal excise tax on cigarettes.

2 (5) (a) There is created within the General Fund a restricted account known as the
3 "Cigarette Tax Restricted Account."

4 (b) Beginning on July 1, 1998, \$ [~~\$1,000,000~~] \$250,000 § of the revenues generated by the
4a increase in the
5 cigarette tax under this section enacted during the 1997 Annual General Session shall be annually
6 deposited into the account.

7 (c) The ~~h~~ [~~Division of Substance Abuse created in Section 62A-8-103~~] DEPARTMENT OF
7a HEALTH ~~h~~ shall expend the funds
8 in the account for a tobacco prevention and control media campaign targeted towards children.

9 Section 2. **Effective date.**

10 This act takes effect on July 1, 1998.

Legislative Review Note
as of 2-5-98 11:28 AM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel