

USE OF CIGARETTE TAX

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Steve Barth

AN ACT RELATING TO REVENUE AND TAXATION; CREATING A RESTRICTED ACCOUNT KNOWN AS THE "CIGARETTE TAX RESTRICTED ACCOUNT"; REQUIRING \$1,000,000 OF THE REVENUES GENERATED BY THE 1997 CIGARETTE TAX INCREASE TO BE DEPOSITED ANNUALLY INTO THE ACCOUNT AND USED BY THE DIVISION OF SUBSTANCE ABUSE FOR A TOBACCO PREVENTION AND CONTROL MEDIA CAMPAIGN TARGETED TOWARDS CHILDREN; MAKING TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

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

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

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

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

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

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

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

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

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

(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 of the revenues generated by the 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 Division of Substance Abuse created in Section 62A-8-103 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