



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 669** HLS 25RS 1363
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **W/ SEN FLOOR AMD**
Proposed Amd.:
Sub. Bill For.:

Date: June 6, 2025	12:42 PM	Author: RISER
Dept./Agy.: Revenue/ATC		
Subject: Provides for a discount on cigarette tax		Analyst: Deborah Vivien

TAX/EXCISE REF SEE FISC NOTE GF RV See Note Page 1 of 1

Continues a portion of the excise tax levied on cigarettes in statute and authorizes a reduced excise tax rate on certain tobacco products

Current law imposes a cigarette excise tax of \$1.08 per pack in 7 different levies, 6 of which (\$1.04) are statutory and 1 of which (4 cents) is constitutional. Current law dedicates about 15% of the proceeds to various uses, primarily health related.

Proposed law retains current law regarding dedications and maintains the excise tax of \$1.08 per pack, but places the constitutional levy of 4 cents per pack into statute.

Proposed law defines “tobacco substitute” for clarification of taxable smokeless tobacco products and defines “heated tobacco product.”

Effective July 1, 2025

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0


EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION
There is no anticipated direct material effect on governmental revenues as a result of this measure as current taxation remains unchanged.

The bill does not change the cigarette excise tax but moves the entire cigarette tax rate structure into statute.

The bill codifies the definition of “tobacco substitute” as a smokeless tobacco product with the same parameters as in rule and subject to taxation in the same manner as current practice.

The bill also defines a “heated tobacco product.” Under current law, these products may be subject to taxation as a cigarette but are not sold in the state and, thus, not taxed or legally tested. Per testimony, heated tobacco products cannot be sold in the state until they are taxed. Placing heated tobacco products into a separate definition appears to leave them untaxed since they will no longer be considered a cigarette subject to the cigarette tax.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Alan M. Boxberger Legislative Fiscal Officer