

HOUSE BILL REPORT

HB 2019

As Reported by House Committee On: Ways & Means

Title: An act relating to the deposit of the additional cigarette tax.

Brief Description: Concerning the deposit of the additional cigarette tax.

Sponsors: Representative Dunshee.

Brief History:

Committee Activity:

Ways & Means: 3/30/11, 3/31/11 [DP].

Brief Summary of Bill

- Moves the \$0.60 per pack cigarette tax that is deposited in the Education Legacy Trust Account to the State General Fund.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 19 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 8 members: Representatives Bailey, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Parker, Ross, Schmick and Wilcox.

Staff: Rick Peterson (786-7150).

Background:

The cigarette tax is added directly to the price of cigarettes before the sales tax is applied. The cigarette tax is due from the first person who sells, uses, consumes, handles, possesses, or distributes the cigarettes in the state. The cigarette tax rate is \$3.025 per pack of 20

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cigarettes. The taxpayer pays the cigarette tax by purchasing cigarette tax stamps that are placed on cigarette packs.

Since July 1, 2009, all cigarette taxes have been deposited in the State General Fund, except for the \$0.60 per pack tax that is deposited in the Education Legacy Trust Account.

Summary of Bill:

Beginning July 1, 2010, the \$0.60 per pack cigarette tax that is deposited in the Education Legacy Trust Account is deposited in the State General Fund.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) None.

(Commented) This bill does not change the revenue amount going into near General Fund calculations which are used for operating budget purposes. However, it does provide a vehicle to facilitate the capital budget.

(Opposed) None.

Persons Testifying: Representative Alexander.

Persons Signed In To Testify But Not Testifying: None.