
Finance Committee

HB 2075

Brief Description: Modifying cigarette taxation.

Sponsors: Representatives Tom, McDermott, Williams, Darneille, Schual-Berke and Roberts.

Brief Summary of Bill

- Increases the cigarette tax rate from \$1.425 per pack to \$2.50 per pack.
- Places 18 cents of increase in the youth tobacco prevention account.
- Places 89.5 cents of the increase in the health services account.

Hearing Date: 3/1/05

Staff: Rick Peterson (786-7150).

Background:

The rate for the cigarette tax is 142.5 cents per pack of 20 cigarettes. Retail sales and use taxes are also imposed on sales of cigarettes. Revenue from the first 23 cents of the cigarette tax goes to the general fund. The next 8 cents are dedicated to water quality improvement programs through June 30, 2021, and to the general fund thereafter. The next 101 cents goes to the Health Services Account. The remaining 10.5 cents are dedicated to youth violence prevention and drug enforcement.

Summary of Bill:

The cigarette tax rate is increased from \$1.425 per pack to \$2.50 per pack. Eighteen cents of the increase is placed into the youth tobacco prevention account. Eighty-nine and one-half cents are placed into the health services account.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on August 1, 2005.