



130th MAINE LEGISLATURE

LD 1423

LR 1104(02)

An Act To Prevent and Reduce Tobacco Use by Ensuring Adequate Funding for Tobacco Use Prevention and Cessation Programs and by Raising the Tax on Tobacco Products and To Provide Funding To Reduce Disparities in Health Outcomes Based on Certain Factors

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	(\$40,471,222)	(\$54,864,375)	(\$63,713,500)	(\$62,835,500)
Appropriations/Allocations				
General Fund	\$17,049,778	\$17,000,000	\$7,000,000	\$7,000,000
Revenue				
General Fund	\$57,521,000	\$71,864,375	\$70,713,500	\$69,835,500
Other Special Revenue Funds	(\$21,000)	(\$54,375)	(\$73,500)	(\$75,500)

Fiscal Detail and Notes

The bill increases the tax on cigarettes from \$2 per pack to \$4 per pack and increases the tax on tobacco products by the same percentage increase. It will result in an increase in General Fund revenue of \$57,521,000 in fiscal year 2021-22 and \$71,864,375 in fiscal year 2022-23. It will result in a reduction in Local Government Fund revenue of \$21,000 in fiscal year 2021-22 and \$54,375 in fiscal year 2022-23. The bill includes a one-time General Fund appropriation of \$49,778 in fiscal year 2021-22 to the Department of Administrative and Financial Services for programming costs to update 3 tax returns, mailing costs for notices to retailers, travel costs for auditors and potential cost for destroying \$2.00 cigarette stamps.

The bill includes General Fund appropriations to the Department of Health and Human Services of \$17,000,000 in fiscal year 2021-22 and \$17,000,000 in fiscal year 2022-23 for tobacco use prevention and cessation funding to attain, for the 2022-2023 biennium, the amount recommended for the State by the United States Department of Health and Human Services, Centers for Disease Control and Prevention and to allow the Maine Center for Disease Control and Prevention to research, identify and reduce health disparities in health care outcomes based on race, ethnicity, sexual orientation, gender identification, income, educational attainment or geographic location.