

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

3/27/85

Date: 4-9-85

The Committee on FINANCE has had CSB 94 (House)

"An Act increasing the price of liquor licenses; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for CSB 14 (H)  same title  
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Robert L. ...

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Pat Pouchot

...

...

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Robert L. ...  
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

REQUEST

Bill/Resolution No: HCS CSSB 94 (HESS)  
 Title: An Act increasing the excise tax on cigarettes

Sponsor: Fisher, Ferguson  
 Requestor: Health Ed. & Social Svcs  
 Date of Request: March 30, 1985

Revision Date

FISCAL DETAIL

Agency Affected: Revenue

Program Category Affected: \_\_\_\_\_

BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	4,099.2	5,600.0	5,600.0	5,600.0	5,600.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

It is assumed that the number of net taxable cigarettes will reach a level of 1.4 billion annually and remain at that level for the forecast period. This bill raises the General Fund portion of the cigarette tax from a rate of 1-1/2 mills (\$.0015) to 5-1/2 mills (\$.0055) per cigarette. The school fund also receives 2-1/2 mills (.0025) per cigarette, a rate not changed by the legislation. The FY 86 figure is adjusted to account for the fact that the new tax would apply to only part of that year.

Prepared By: David R. Tonko  
 Division: Revenue - Research Section

Phone: 5-2173

Date: 4/1/85

Approved by Commissioner: [Signature]  
 Agency: [Signature]

Date: 4/3/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date 4-2-85

REQUEST

Bill/Resolution No: HCS CSSB 94 (FIN)  
 Title: Cigarette Tax Increase  
 Sponsor: V. Fischer, Ferguson  
 Requestor: HESS  
 Date of Request: March 30, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue  
 Program Category Affected: Collection and Management  
 BRU, Program of Subprogram(s) Affected: Audit Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
800 MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL OPERATING</u>	-0-	-0-	-0-	-0-	-0-	-0-
<u>CAPITAL</u>	-0-	0-	-0-	-0-	-0-	-0-
<u>REVENUE</u>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-	0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<u>TOTAL</u>	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: This bill will not require an increase in expenditure for this BRU.

Prepared By: Martin J. Richard, Director  
 Division: Audit Division

Phone: 465-2320

Date: April 2, 1985

Approved by Commissioner: [Signature]  
 Agency: Revenue

Date: 4/1/85

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

Original sponsors: V.Fischer and Ferguson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 94 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the excise tax on cigarettes; and  
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. INTENT. (a) It is the intent of the legislature that the  
0 excise tax on cigarettes levied by this Act be used principally to fund  
1 health care, health research, and health promotion and education programs.

2 (b) The health care programs shall consist of those health programs  
3 traditionally funded by the state including nursing, family health, commu-  
4 nity health grant, and mental health grant programs.

5 (c) The health promotion and education programs shall include  
6 promoting the implementation of school health education programs for all  
7 grades to enhance wellness, good nutrition, and physical and mental fitness  
8 and to encourage the avoidance of unnecessary health risks, including  
9 smoking and use of alcohol and other drugs.

10 \* Sec. 2. AS 43.50.190(a) is amended to read:

1 (a) There is levied an excise tax of five [ONE] and one-half  
2 mills on each cigarette imported or acquired in this state.

3 \* Sec. 3. This Act takes effect October 1, 1985.

Offered: 3/29/85  
Referred: Finance

Original sponsors: V.Fischer and Ferguson

1 IN THE SENATE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 94 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act increasing the excise tax on cigarettes; and  
7 providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. INTENT. (a) It is the intent of the legislature that the  
10 excise tax on cigarettes levied by this Act be used principally to fund  
11 health care, health research and health education programs.  
12 (b) The health care programs shall consist of those health programs  
13 traditionally funded by the state including nursing, family health, commu-  
14 nity health grant, and mental health grant programs.  
15 (c) The health education programs shall include promoting the imple-  
16 mentation of school health education programs for all grades to enhance  
17 wellness, good nutrition, and physical and mental fitness and to encourage  
18 the avoidance of unnecessary health risks, including smoking and use of  
19 alcohol and other drugs.  
20 \* Sec. 2. AS 43.50.190(a) is amended to read:  
21 (a) There is levied an excise tax of five [ONE] and one-half  
22 mills on each cigarette imported or acquired in this state.  
23 \* Sec. 3. This Act takes effect October 1, 1985.

Offered: 2/22/85  
Referred: Finance

Original sponsors: V.Fischer and Ferguson

1 IN THE SENATE  
2  
3 CS FOR SENATE BILL NO. 94 (HESS) am  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 FOURTEENTH LEGISLATURE - FIRST SESSION  
6 A BILL  
7 For an Act entitled: "An Act increasing the excise tax on cigarettes; and  
8 providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. INTENT. (a) It is the intent of the legislature that the  
11 excise tax on cigarettes levied by this Act be used principally to fund  
12 health promotion and education programs to enhance wellness, good nutri-  
13 tion, and physical and mental fitness and to encourage the avoidance of  
14 unnecessary health risks, including smoking and use of alcohol and other  
15 drugs.  
16 (b) The health promotion and education programs shall include promot-  
17 ing the implementation of school health education programs statewide for  
18 all grades; distributing and coordinating grants for statewide and local  
19 health promotion and education programs; and developing a five-year health  
20 promotion and education plan for the state, including one-year plans of  
21 operation.  
22 \* Sec. 2. AS 43.50.150(a) is repealed and reenacted to read:  
23 (a) If the federal excise tax on cigarettes under 26 U.S.C.  
24 5701(b) is equal to or greater than 8 mills per small cigarette or  
25 16.8 mills per large cigarette, then there is levied an additional  
26 state excise tax on each cigarette imported or acquired in the state  
27 of 1.5 mills. If the federal excise tax is less than 8 mills per  
28 small cigarette or 16.8 mills per large cigarette, then there is  
29 levied an excise tax in an amount sufficient to make the total of the  
federal tax and the additional state tax levied by this section on

1       each cigarette imported or acquired in this state equal to

2       (1) 9.5 mills on each small cigarette; and

3               (2) 18.3 mills on each large cigarette.

4       \* Sec. 3. AS 43.50.190 is amended by adding a new subsection to read:

5               (c) In this section, "small cigarette" and "large cigarette"

6       have the same meanings given in 26 U.S.C. 5701(b).

7       \* Sec. 4. This Act takes effect October 1, 1985.

Offered: 2/22/85  
Referred: Finance

Original sponsors: V.Fischer and Ferguson

1 IN THE SENATE BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 94 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the excise tax on cigarettes; and  
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. INTENT. (a) It is the intent of the legislature that the  
10 excise tax on cigarettes levied by this Act be used principally to fund  
11 health promotion and education programs to enhance wellness, good nutri-  
12 tion, and physical and mental fitness and to encourage the avoidance of  
13 unnecessary health risks, including smoking and use of alcohol and other  
14 drugs.

15 (b) The health promotion and education programs shall include promot-  
16 ing the implementation of school health education programs statewide for  
17 all grades; distributing and coordinating grants for statewide and local  
18 health promotion and education programs; and developing a five-year health  
19 promotion and education plan for the state, including one-year plans of  
20 operation.

21 \* Sec. 2. AS 43.50.190(a) is amended to read:

22 (a) There is levied an excise tax in an amount sufficient to  
23 make the total of the federal tax and the additional state tax levied  
24 by this section on each cigarette imported or acquired in this state  
25 equal to

26 (1) 9.5 mills on each small cigarette; and

27 (2) 18.3 mills on each large cigarette [OF ONE AND ONE-HALF  
28 MILLS ON EACH CIGARETTE IMPORTED OR ACQUIRED IN THIS STATE].

29 \* Sec. 3. AS 43.50.190 is amended by adding a new subsection to read:

1           (c) In this section, "small cigarette" and "large cigarette"  
2           have the same meanings given in 26 U.S.C. 5701(b).  
3           \* Sec. 4. This Act takes effect October 1, 1985.

Introduced: 1/24/85  
Referred: Health, Education & Social Services  
and Finance

1 IN THE SENATE

BY V.FISCHER

2

SENATE BILL NO. 94

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act increasing the excise tax on cigarettes; and  
7 providing for an effective date."

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12 tion, and physical and mental fitness and to encourage the avoidance of  
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15 (b) The health promotion and education programs shall include  
16 promoting the implementation of school health education programs statewide  
17 for all grades; distributing and coordinating grants for statewide and  
18 local health promotion and education programs; and developing a five-year  
19 health promotion and education plan for the state, including one-year plans  
20 of operation.

21 \* Sec. 2. AS 43.50.190(a) is amended to read:

22 (a) There is levied an excise tax of five [ONE] and one-half  
23 mills on each cigarette imported or acquired in this state.

24 \* Sec. 3. This Act takes effect October 1, 1985.