



FISCAL NOTE

House Bill 438

Committee: Ways and Means General Fund Sponsor: Representative Rolanda Hollis
Analyst: Tiffany Weaver Date: 04/16/2024

House Bill 438 as introduced would define "heated tobacco products" and levy a tax on each single-use consumable unit of these products as follows to be distributed to the State General Fund:

- \$0.17 for fiscal years 2025 through 2027;
- \$0.0085 for fiscal years 2028 through 2029; and
- \$0.005 for fiscal years beginning with 2029.

This bill would also levy: (1) a county tax on these products in any county that levies a local tobacco tax at a rate of half of the state rate above; and (2) a municipality tax on these products in any municipality that levies a local tobacco tax at a rate of half the local municipal tax rate.

This bill could increase receipts to the State General Fund, counties, and municipalities or decrease receipts to the Public Welfare Trust Fund, the State Parks Fund, the State General Fund, and the Department of Human Resources, the Department of Mental Health, the Department of Public Health, and counties by an undetermined amount dependent on the difference in: (1) the number of such products currently sold and taxed at the cigarette tax rate of \$0.03375 each; and (2) the number of such products sold and taxed as provided by this bill.