

HB 1856 -- CIGARETTE TAXES

SPONSOR: Butz

Currently, a tax is levied upon the sale of cigarettes at an amount equal to eight and one half mills per cigarette, until such time as the General Assembly appropriates an amount equal to 25% of the net Federal Reimbursement Allowance to the Health Initiatives Fund, then the tax will be six and one half mills per cigarette beginning July 1st of the fiscal year immediately after such appropriation.

Beginning January 1, 2027, an additional tax will be levied upon the sale of cigarettes at an amount equal to five mills per cigarette. This will increase the cigarette tax from \$0.17 per pack of 20 cigarettes to \$.27 per pack to be used for public education and health care purposes. The revenue generated by this additional tax will be dispersed as specified in the bill.

Six months prior to the effective date of the provisions of this bill, licensees must not be allowed to purchase stamps in a number greater than 110% of the number of stamps that were purchased by the licensee during the same period in the previous year.

This bill contains a referendum clause and will not become effective unless approved by a majority of the qualified voters in the state.

This bill is similar to HB 521 (2025) and HB 2463 (2024).