

**129th MAINE LEGISLATURE****LD 1028****LR 493(03)****An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Raising the Tax on Tobacco Products****Fiscal Note for Bill as Amended by Committee Amendment " "****Committee: Taxation****Fiscal Note Required: Yes****Fiscal Note**

	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Projections FY 2021-22</b>	<b>Projections FY 2022-23</b>
<b>Net Cost (Savings)</b>				
General Fund	\$311,498	(\$4,727,245)	(\$4,714,011)	(\$4,676,409)
<b>Appropriations/Allocations</b>				
General Fund	\$6,177,581	\$5,938,361	\$5,940,930	\$5,967,877
Federal Expenditures Fund	\$1,776,235	\$1,332,177	\$1,332,177	\$1,332,177
<b>Revenue</b>				
General Fund	\$5,866,083	\$10,665,606	\$10,654,941	\$10,644,286
Other Special Revenue Funds	\$15,331	\$27,874	\$27,846	\$27,818

**Fiscal Detail and Notes**

This bill increases the tobacco products tax from 20% to 43% of the wholesale sales price and adds electronic smoking devices and liquids used in these devices to the definition of tobacco products. These provisions increase General Fund revenue by \$5,866,083 in fiscal year 2019-20 and \$10,665,606 in fiscal year 2020-21. They also increase Local Government Fund revenue by \$15,331 in fiscal year 2019-20 and \$27,874 in fiscal year 2020-21.

The bill includes General Fund appropriations to the Department of Health and Human Services of \$6,100,000 in fiscal year 2019-20 and \$5,850,000 in fiscal year 2020-21 for evidence-based tobacco use prevention and cessation services and tobacco use cessation medications and counseling provided to MaineCare members. Federal Expenditures Fund allocations are also included for the FMAP match.

The bill also includes General Fund appropriations of \$77,581 in fiscal year 2019-20 and \$88,361 in 2020-21 to the Department of Administrative and Financial Services for one Tax Examiner position and related costs to review and process additional tobacco products tax returns.