

## CORRECTED COPY

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue increase/(decrease)			
GENERAL FUND	\$0	\$0	\$9,800,000
LOCAL SOURCES FUND	(\$0)	(\$0)	(\$300,000)

Source of revenue increase(decrease):

This bill increases the cigarette tax from \$0.60 per pack to \$1.10 per pack. The tax increase would be deposited to the General Fund.

It is assumed that this cigarette tax increase would result in a 12% decline in cigarette consumption, resulting in a revenue decrease in the cigarette taxes distributed to local governments.

This bill also creates a floor stock tax in proportion to the tax increase on cigarettes in wholesaler possession at 11:59 p.m. on the bill's effective date.

This bill is effective either 15 days after the date the Attorney General certifies to the Secretary of State and the Department of Revenue that the state has completed an agreement with the Eastern Shoshone and Northern Arapaho Tribes providing for the imposition of tobacco taxes throughout Wyoming and on the Wind River Indian Reservation, or on July 1, 2021, whichever is earlier.

Assumptions:

The estimate in the table above assumes an effective date of July 1, 2021. The above estimates are based on the cigarette taxes forecasted in the January 2019 CREG Forecast. The revenue increase from the cigarette tax rate increase is estimated at \$9.8 million per year. This revenue increase would be distributed to the General Fund. The floor stock tax would ensure the tax increase would be collected as of the effective date of the tax increase.

Due to the magnitude of the tax increase, a 12% reduction in sales is projected from reduced consumption. It is estimated that this reduced consumption would decrease the cigarette tax revenues distributed to local governments by approximately \$300,000 per year. There is also a potential revenue decrease from the likely reduction in Wyoming cigarettes sold for consumption outside of Wyoming. However, this potential revenue decrease is unknown, and therefore not incorporated into the above estimates.