

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB436

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: March 04, 2011

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

To reduce smoking and tobacco product use, especially in youth, by increasing the per pack excise tax on cigarettes and the percentage of tax on tobacco products, other than snuff.

To provide funding to maintain funding for provider rates in Medicaid that pay for health services, behavioral health services, aging services and other health services.

To maintain the current level of funding in the Tobacco Prevention and Control Cash Fund that provides tobacco cessation products and services.

To accomplish these goals the per pack cigarette tax would increase from the current 64 cents to \$1.99 and the tobacco products tax would increase from the current 20 percent of an item to 62 percent of the item. Such increase would raise an estimated \$111 million dollars. Approximately \$30 million would go to the above mentioned services. The remainder would go to the General Fund and the Tobacco Products Administration Cash Fund created in 77-4025.

Principal Introducer: _____

Senator Mike Gloor