

Legislative Council
September 3, 2020

AMENDMENT 1 TO PROPOSITION EE

Related to minimum price:

Page 1, line 7 (NO section), after "...will stay the same", add "CIGARETTE PRICES WILL NOT INCREASE,".

Page 1, after line 3 add "SET A MINIMUM AFTER-TAX PRICE OF CIGARETTES FOR CONSUMERS AT \$7.00 PER PACK BEGINNING IN JANUARY 2021, AND \$7.50 PER PACK BEGINNING IN JULY 2024."

Page 3 delete lines 12-13.

Page 6, after line 18 add "THE MINIMUM CIGARETTE PRICE WILL ALSO IMPOSE A FINANCIAL BURDEN ON CIGARETTE USERS, PARTICULARLY LOW-INCOME USERS WHO SMOKE DISCOUNT CIGARETTES THAT CURRENTLY COST SIGNIFICANTLY LESS THAN \$7.00 PER PACK. CURRENT CONSUMERS OF DISCOUNT CIGARETTES MAY PAY AS MUCH AS \$1,200 MORE PER YEAR FOR CIGARETTE PRODUCTS, IN ADDITION TO PAYING INCREASED SALES TAXES ON EACH PACK OF CIGARETTES."

Page 6, after line 32, add "THE MINIMUM CIGARETTE PRICE ALSO FAVORS LARGER CIGARETTE COMPANIES WHO SELL MORE EXPENSIVE CIGARETTES AS PRICE COMPETITION IS EFFECTIVELY ELIMINATED. THIS WILL RESULT IN FEWER CHOICES FOR CONSUMERS AND IMPACT LOW-INCOME SMOKERS THE MOST."

Related to revenue allocation:

Page 1, strike lines 4-6 and replace with "DISTRIBUTE THE NEW REVENUE TO K-12 EDUCATION, RURAL SCHOOLS, AFFORDABLE HOUSING, EVICTION ASSISTANCE, TOBACCO EDUCATION, HEALTH CARE, AND, AS OF FISCAL YEAR 2023-24, PRESCHOOL PROGRAMS IF THERE ARE LEFTOVER FUNDS FROM REQUIRED ALLOCATIONS TO OTHER PROGRAMS."

Page 4, after line 11, insert "REVENUE FROM THE NEW AND INCREASED TAXES ON CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS WILL ONLY BE ALLOCATED TO PRESCHOOL PROGRAMS BEGINNING IN 2023-24 IF THERE IS REVENUE REMAINING FROM ALLOCATIONS TO OTHER PROGRAMS."

Additional change:

Page 1, line 7 (NO section), add at the end "THIS IS A \$294 MILLION TAX INCREASE."