

Fiscal Analysis

TOBACCO SETTLEMENT; NONPARTICIPATING MANUFACTURERS



Bill/Sponsor

HOUSE BILL 5221 As Introduced, Rep. Lorence Wenke
HOUSE BILL 5222 As Introduced, Rep. William J. O'Neil

House Committee**Analysis****Summary**

House Bill 5221 would revise the amounts that nonparticipating manufacturers place in escrow accounts.

House Bill 5222 would amend the Tobacco Products Tax Act to require that nonparticipating manufacturers prepay their equity assessments to the Department of Treasury. The bill would also allow the Department of Treasury to seize cigarettes of a nonparticipating manufacturer that were being held illegally, and would require the Department to audit nonparticipating manufacturers as well as assess penalties for noncompliance.

Fiscal Impact

Based on information provided by the Department of Treasury, changing the equity assessments would increase revenues in FY2003-04 by approximately \$3.0 million.

Analyst(s)

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COMMITTEE ANALYSIS - 11/4/03

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