

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7319

BILL NUMBER: SB 463

NOTE PREPARED: Jan 13, 2015

BILL AMENDED:

SUBJECT: Cigarettes and Tobacco Sales.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill exempts cigarettes sold on federal military installations and other state excise tax-exempt cigarette sales from the definition of "units sold" for purposes of the qualified escrow fund. It allows the Department of State Revenue, the Alcohol and Tobacco Commission, and the Attorney General to provide certain information to courts, arbitrators, and data clearinghouses for the purpose of making calculations under the Tobacco Master Settlement Agreement if a protective order is executed. The bill also makes specified tobacco sales data that is provided by an outside party confidential.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Department of State Revenue (DOR), Alcohol and Tobacco Commission (ATC) or the Office of the Attorney General (AG):* The DOR, ATC or AG may incur additional administrative costs in providing information to courts, arbitrators and data clearinghouses as established by the bill. The additional costs should be within the DOR's, ATC's and AG's existing resources.

Additional Information: The bill establishes that cigarettes sold on federal military installations and other state excise tax-exempt cigarette sales are no longer used to determine the amount of funds placed into a qualified escrow fund by a tobacco product manufacturer. This suggests there would be fewer cigarette units on which to determine the amount of funds placed into an escrow fund. Under current statute, \$0.019 per unit sold is placed into an escrow fund, and a tobacco product manufacturer who maintains the fund may receive any interest or other appreciation on the funds. Funds may be released from escrow to a tobacco product manufacturer under certain circumstances as established by current statute.

We do not have information on cigarette sales in each of the military installations. There are three active military installations: Grissom Air Reserve Base Air Force in Kokomo, IN; Camp Atterbury Army Base in Edinburgh, IN; and NSWC Crane Division Navy Base in Martin County, IN.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; Alcohol and Tobacco Commission; Office of the Attorney General.

Local Agencies Affected:

Information Sources:

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