

By: Naishtat

H.B. No. 26

A BILL TO BE ENTITLED

AN ACT

relating to an increase in the cigarette tax and to the use of that increase for certain health and human services programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 154.021(b), Tax Code, is amended to read as follows:

(b) The tax rates are:

(1) \$70.50 [~~\$20.50~~] per thousand on cigarettes weighing three pounds or less per thousand; and

(2) the rate provided by Subdivision (1) plus \$2.10 per thousand on cigarettes weighing more than three pounds per thousand.

SECTION 2. Section 154.603, Tax Code, is amended to read as follows:

Sec. 154.603. DISPOSITION OF REVENUE. (a) After the deductions for the purposes provided by Section 154.602 [~~of this code~~], the revenue remaining of the first \$2 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the first \$4.10 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand is allocated:

(1) 18.75 percent to the foundation school fund; and

(2) 81.25 percent to the general revenue fund.

(b) The revenue remaining after the deductions for the

1 purposes provided by Section 154.602 [~~of this code~~] and allocation
2 under Subsection (a) of the next \$26 of tax received per 1,000
3 cigarettes for cigarettes weighing three pounds or less per
4 thousand and the next \$26 per 1,000 cigarettes of the tax received
5 for cigarettes weighing more than three pounds per thousand [~~this~~
6 ~~section~~] is allocated to the general revenue fund.

7 (c) The revenue remaining after the deductions for the
8 purposes provided by Section 154.602 and allocation under
9 Subsections (a) and (b) shall be deposited as follows:

10 (1) the next \$2.50 of tax received per 1,000
11 cigarettes for cigarettes weighing three pounds or less per
12 thousand and the next \$2.50 per 1,000 cigarettes of the tax received
13 for cigarettes weighing more than three pounds per thousand shall
14 be deposited to the credit of the tobacco cessation account in the
15 general revenue fund and may be appropriated only to the Texas
16 Department of Health for programs to reduce the use of cigarettes
17 and tobacco products in this state;

18 (2) the next \$5 of tax received per 1,000 cigarettes
19 for cigarettes weighing three pounds or less per thousand and the
20 next \$5 per 1,000 cigarettes of the tax received for cigarettes
21 weighing more than three pounds per thousand shall be deposited to
22 the credit of the trauma care account in the general revenue fund
23 and may be appropriated only to the Texas Department of Health for
24 programs to provide emergency medical services and trauma care in
25 this state;

26 (3) the next \$1.50 of tax received per 1,000
27 cigarettes for cigarettes weighing three pounds or less per

1 thousand and the next \$1.50 per 1,000 cigarettes of the tax received
2 for cigarettes weighing more than three pounds per thousand shall
3 be deposited to the credit of the Texas Department on Aging account
4 in the general revenue fund and may be appropriated only to the
5 Texas Department on Aging for programs to meet the needs of this
6 state's elderly population;

7 (4) the next \$1 of tax received per 1,000 cigarettes
8 for cigarettes weighing three pounds or less per thousand and the
9 next \$1 per 1,000 cigarettes of the tax received for cigarettes
10 weighing more than three pounds per thousand shall be deposited to
11 the credit of the Texas Cancer Registry account in the general
12 revenue fund and may be appropriated only to the Texas Department of
13 Health to administer the Texas Cancer Registry;

14 (5) the next \$7.50 of tax received per 1,000
15 cigarettes for cigarettes weighing three pounds or less per
16 thousand and the next \$7.50 per 1,000 cigarettes of the tax received
17 for cigarettes weighing more than three pounds per thousand shall
18 be deposited to the credit of the Texas Department of Health account
19 in the general revenue fund and may be appropriated only to the
20 Texas Department of Health for programs administered by the
21 department;

22 (6) the next \$2.50 of tax received per 1,000
23 cigarettes for cigarettes weighing three pounds or less per
24 thousand and the next \$2.50 per 1,000 cigarettes of the tax received
25 for cigarettes weighing more than three pounds per thousand shall
26 be deposited to the credit of the rural health care account in the
27 general revenue fund and may be appropriated only to the Texas

1 Department of Health for programs to improve access to primary and
2 preventive health care services in rural areas of this state;

3 (7) the next \$7.50 of tax received per 1,000
4 cigarettes for cigarettes weighing three pounds or less per
5 thousand and the next \$7.50 per 1,000 cigarettes of the tax received
6 for cigarettes weighing more than three pounds per thousand shall
7 be deposited to the credit of the children's health insurance
8 program account in the general revenue fund and may be appropriated
9 only to the Health and Human Services Commission for the child
10 health care program under Chapter 62, Health and Safety Code; and

11 (8) the remaining \$15 of tax received per 1,000
12 cigarettes for cigarettes weighing three pounds or less per
13 thousand and the remaining \$15 per 1,000 cigarettes of the tax
14 received for cigarettes weighing more than three pounds per
15 thousand shall be deposited to the credit of the medical assistance
16 account in the general revenue fund and may be appropriated only to
17 the Health and Human Services Commission for the medical assistance
18 program under Chapter 32, Human Resources Code.

19 SECTION 3. This Act takes effect November 1, 2003.