

By: Deshotel

H.B. No. 33

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an increase in the cigarette tax and to the use of that
3 increase to purchase textbooks.

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

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

7 (b) The tax rates are: (1) \$33.00 [~~\$20.50~~] per thousand on
8 cigarettes weighing three pounds or less per thousand; and
9 (2) the rate provided by Subdivision (1) plus \$2.10 per thousand
10 on cigarettes weighing more than three pounds per thousand.

11 SECTION 2. Section 154.603, Tax Code, is amended to read as
12 follows: Sec. 154.603. DISPOSITION OF REVENUE. (a) After the
13 deductions for the purposes provided by Section 154.602 [~~of this~~
14 ~~code~~], the revenue remaining of the first \$2 of tax received per
15 1,000 cigarettes for cigarettes weighing three pounds or less per
16 thousand and the first \$4.10 per 1,000 cigarettes of the tax
17 received for cigarettes weighing more than three pounds per
18 thousand is allocated:

19 (1) 18.75 percent to the foundation school fund; and

20 (2) 81.25 percent to the general revenue fund.

21 (b) The revenue remaining after the deductions for the
22 purposes provided by Section 154.602 [~~of this code~~] and allocation
23 under Subsection (a) of the next \$18.50 of tax received per 1,000
24 cigarettes for cigarettes weighing three pounds or less per

1 thousand and the next \$18.50 per 1,000 cigarettes of the tax
2 received for cigarettes weighing more than three pounds per
3 thousand [~~this section~~] is allocated to the general revenue fund.

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

7 (1) shall be deposited to the credit of the foundation
8 school fund and may be appropriated only for the purpose of buying
9 textbooks.

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