

Amend CSHB 7 by adding the following appropriately numbered article and renumbering subsequent articles accordingly:

ARTICLE \_\_\_\_\_. INCREASE IN CIGARETTE TAX

AND USE FOR HEALTH AND HUMAN SERVICES PROGRAMS

SECTION \_\_.01. 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 \_\_.02. 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 purposes provided by Section 154.602 [~~of this code~~] and allocation under Subsection (a) of the next \$19.375 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the next \$19.375 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand [~~this section~~] is allocated to the general revenue fund.

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

(1) the next \$2.50 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the next \$2.50 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand shall

be deposited to the credit of the tobacco cessation account in the general revenue fund and may be appropriated only to the Texas Department of Health for programs to reduce the use of cigarettes and tobacco products in this state;

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

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

(4) the next 12.5 cents of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the next 12.5 cents per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand shall be deposited to the credit of the Texas Cancer Registry account in the general revenue fund and may be appropriated only to the Texas Department of Health to administer the Texas Cancer Registry;

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

(6) the next \$2.50 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per

thousand and the next \$2.50 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand shall be deposited to the credit of the rural health care account in the general revenue fund and may be appropriated only to the Texas Department of Health for programs to improve access to primary and preventive health care services in rural areas of this state;

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

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

SECTION \_\_.03. This article takes effect February 1, 2004.