

By: Naishtat

H.B. No. 124

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 \$18.50 of tax received per 1,000  
3 cigarettes for cigarettes weighing three pounds or less per  
4 thousand and the next \$18.50 per 1,000 cigarettes of the tax  
5 received for cigarettes weighing more than three pounds per  
6 thousand [~~this 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 Department  
16 of State Health Services for programs to reduce the use of  
17 cigarettes 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 Department of State Health  
24 Services for programs to provide emergency medical services and  
25 trauma care in 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 Department of Aging and Disability  
4 Services account in the general revenue fund and may be  
5 appropriated only to the Department of Aging and Disability  
6 Services for programs to meet the needs of this state's elderly  
7 population;

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

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

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

1 general revenue fund and may be appropriated only to the Department  
2 of State Health Services for programs to improve access to primary  
3 and preventive health care services in rural areas of this state;

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

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

20 SECTION 3. This Act takes effect September 1, 2005.