

By: Shapleigh

S.B. No. 97

A BILL TO BE ENTITLED

AN ACT

relating to increases in the tax on cigarettes and to the allocation of those increases to certain quality child-care 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 to the credit of an
10 account in the general revenue fund to be established by the
11 comptroller. Money may be appropriated from the account only to the
12 Texas Workforce Commission to provide child-care services for
13 low-income families through providers who meet the Texas Rising
14 Star Provider criteria described by 40 T.A.C. Section 809.15(b).

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