

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Other Tobacco Products Tax  
**ISSUE:** Moist Snuff Tobacco, Excise Tax  
**BILL NUMBER(S):** SB2328/HB681  
**SPONSOR(S):** Sen. Haridopolis, Rep. Richter  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** 7/1/2008  
**DATE OF ANALYSIS:** 3/25/07

**SECTION 1: NARRATIVE**

**a. Current Law:** S.210.30 (1) provides for a tax rate of 25% of the wholesale price for all tobacco products other than cigarettes and cigars.

**b. Proposed Change:** Moist snuff tobacco would be taxed at a rate of \_\_ cents per ounce plus a proportionate tax on all fractional parts of an ounce. All packages of less than 1.2 ounces will be taxed at the equivalent rate of cans or packages weighing 1.2 ounces. THIS ANALYSIS ASSUMES A TAX RATE OF 50 CENTS, BUT THE BILLS DO NOT GIVE A SPECIFIC RATE AT THIS TIME.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Florida consumption and price figures through 2006 from Shepherd, Williams & Associates  
 General Revenue forecast from March 2008

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact—All Funds	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
High			
Middle	.2	.2	.2
Low			

State Impact—All Funds	FY 2010-11 Cash	FY 2011-12 Cash
High		
Middle	.2	.2
Low		

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 4 / 4 / 08 )** The conference adopted the proposed estimate, assuming a 50 cents per ounce tax rate.

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
General Revenue	.2	.2	.2
State Trust	0	0	0
Total State Impact	.2	.2	.2
Total Local Impact			
Total Impact	.2	.2	.2

	FY 2010-11 Cash	FY 2011-12 Cash
General Revenue	.2	.2
State Trust	0	0
Total State Impact	.2	.2
Total Local Impact		
Total Impact	.2	.2

Current law:	
25% of the wholesale price	
Total Other Tobacco Tax Collections Collections:	
2007-08	32.1
2008-09	32.5
2009-10	33.2
2010-11	33.9
2011-12	34.6
Estimate is that 88.5% of collections come from MST	
2007-08	28.4
2008-09	28.8
2009-10	29.4
2010-11	30.0
2011-12	30.6

These figures are prior to credits

Wholesale Price						
2001	2002	2003	2004	2005	2006	2007
\$2.27	\$2.37	\$2.41	\$2.44	\$2.45	\$2.46	\$2.43
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	\$2.32	\$2.39	\$2.42	\$2.44	\$2.45	\$2.44

50 cents per ounce, with each unit taxed at a minimum of 1.2 ounce rate, or				60
	1.2			
Ounces	or less	1.32	1.5	
Tax per unit	0.6000	0.6600	0.7500	

Projected cans sold					
	82.4%	10.8%	6.8%	Wholesale price:	2.45
Cans sold	1.2 or less	1.32	1.5 Total		
2007-08	38,219,660	5,009,126	3,152,439	46,381,224	
2008-09	38,695,917	5,071,545	3,191,722	46,959,184	
2009-10	39,529,368	5,180,778	3,260,467	47,970,612	
2010-11	40,362,818	5,290,011	3,329,211	48,982,041	
2011-12	41,196,269	5,399,245	3,397,956	49,993,469	
Projected cans sold assumptions:					
Wholesale price per can overall stable at \$2.40 due to increased share of lower-priced products					
Breakout of cans by size based on 2006 calendar year data					

Tax	1.2 or less	1.32	1.5 Total	
2007-08	22.9	3.3	2.4	28.6
2008-09	23.2	3.3	2.4	29.0
2009-10	23.7	3.4	2.4	29.6
2010-11	24.2	3.5	2.5	30.2
2011-12	24.7	3.6	2.5	30.8

Tax Impact	
2007-08	0.2
2008-09	0.2
2009-10	0.2
2010-11	0.2
2011-12	0.2