

**Revenue Estimating Conference
Tobacco Tax and Surcharge
Executive Summary**

The Revenue Estimating Conference met concerning Tobacco Tax and Surcharge revenues on August 11, 2009. Based on information on collections to date, the conference increased its 2009-10 estimate of the inventory surcharge on Cigarettes and Other Tobacco Products by \$72.0 million, bringing the estimated total to \$110 million. Assuming that the elevated inventory-based collections will result in lower future collection activity, the conference made largely offsetting, near-term adjustments to the related taxes and surcharges. The corresponding negative adjustment for surcharge collections is -\$48.0 million to the 2009-10 estimate (split -\$2.7 million Other Tobacco Products and -\$45.3 million Cigarettes). The Conference also made negative adjustments to the 2009-10 estimates of -\$1.2 million to Other Tobacco Products Tax and -\$16.5 million (\$10.2 million GR) to Cigarette Tax. The conference made no changes to the estimates for fiscal years 2010-11, 2011-12, and 2012-13.

Tobacco Tax and Surcharge Conference				
Summary of Differences between Post-Session 2009 and August 2009 conferences				
	2009-10	2010-11	2011-12	2012-13
Floor Tax				
OTP	4.0	0.0	0.0	0.0
Cigarette	68.0	0.0	0.0	0.0
Total	72.0	0.0	0.0	0.0
Surcharge				
OTP	-2.7	0.0	0.0	0.0
Cigarette	-45.3	0.0	0.0	0.0
Total	-48.0	0.0	0.0	0.0
OTP Tax	-1.2	0.0	0.0	0.0
Cigarette Tax	-16.5	0.0	0.0	0.0
GR	-10.2	0.0	0.0	0.0

Other Tobacco Products

Aug-09

	Wholesale Volume (calculated)	% Change	Other Tobacco Products Tax to GR	Other Tobacco Products Surcharge			
				Surcharge	Floor Tax	GR Service Charge	Health Care Trust Fund
1989-90	49.8		12.5				
1990-91	57.7	15.9%	14.4				
1991-92	60.3	4.4%	15.1				
1992-93	65.4	8.6%	16.4				
1993-94	70.0	7.0%	17.5				
1994-95	74.4	6.3%	18.6				
1995-96	78.0	4.8%	19.5				
1996-97	77.2	-1.0%	19.3				
1997-98	84.0	8.8%	21.0				
1998-99	82.4	-1.9%	20.6				
1999-2000	87.6	6.3%	21.9				
2000-01	94.0	7.3%	23.5				
2001-02	94.4	0.4%	23.6				
2002-03	100.8	6.8%	25.2				
2003-04	110.8	9.9%	27.7				
2004-05	116.0	4.7%	29.0				
2005-06	110.0	-5.2%	27.5				
2006-07	132.4	20.4%	33.1				
2007-08	130.8	-1.2%	32.7				
2008-09	114.2	-12.7%	28.5				
2009-10							
Post-session 2009	94.1	-17.5%	24.2	51.8	2.1	4.3	49.6
August 2009	89.3	-21.8%	23.0	49.1	6.1	4.4	50.8
Difference	-4.9		-1.2	-2.7	4.0	0.1	1.2
2010-11							
Post-session 2009	95.6	1.6%	23.9	57.4	0	4.6	52.8
August 2009	95.6	7.1%	23.9	57.4	0	4.6	52.8
Difference	0.0		0.0	0.0	0	0.0	0.0
2011-12							
Post-session 2009	97.1	1.5%	24.3	58.3	0	4.7	53.6
August 2009	97.1	1.5%	24.3	58.3	0	4.7	53.6
Difference	0.0		0.0	0.0	0	0.0	0.0
2012-13							
Post-session 2009							
August 2009	100.1	4.6%	25.0	60.0	0	4.8	55.2
Difference	100.1	4.6%	25.0	60.0	0	4.8	55.2
	0.0		0.0	0.0	0	0.0	0.0

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GR	-10.2	0.0	0.0	0.0