

FISCAL NOTE
SB 19 - HB 24
FIRST EXTRAORDINARY SESSION

April 6, 1999

SUMMARY OF BILL: Creates a general reserve fund called the Special Health Care Fund. Monies from the fund may be expended to fund activities related to long-term care and the TennCare program as allocated by the annual General Appropriations Act. Imposes a tax increase on cigarettes from 13¢ per pack of twenty to 26¢ per pack of twenty and deposits revenues generated from the additional tax into the Special Health Care Fund.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$47,840,000

Increase State Expenditures - \$23,000 One-Time

Estimate assumes the following:

- Approximately 612,000,000 packs of cigarettes were sold last year.
- A decrease in sales of approximately 122,000,000 packs due to the increased tax.
- Cigarettes are sold in packs of twenty.
- A one-time increase in state expenditures of \$23,000 resulting from MIS system implementation costs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director