

STATEMENT OF PURPOSE

RS32259 / H0314

The purpose of this legislation is to amend Chapter 25, Title 63, of the Idaho Code to require sellers of electronic smoking devices to obtain a permit from the State Tax Commission. It also imposes a tax on the sale, use, consumption, handling or distribution of electronic smoking devices at the rate of three cents (\$0.03) per milliliter of a solution that contains nicotine and a proportionate tax at the like rate on all fractional parts of a milliliter thereof. The legislation extends existing record keeping and invoice requirement applicable to distributors, retailers, and shippers of tobacco product to distributors, retailers, and shippers of electronic smoking devices. The legislation also declares an emergency and provides an effective date.

FISCAL NOTE

The proposed excise tax should generate upwards of \$1.4 million in funds annually. Seventy-five percent (75%) of these funds shall be distributed to the Prevention of Minors' Access to Tobacco Products or Electronic Devices Fund and 25% shall be distributed to the Public Health Districts for prevention and cessation programs.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).