
HOUSE BILL 1661

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Valle, Flemming, Talcott, Rust, Morris, Cothorn, Leonard, Pruitt, Holm, Campbell and J. Kohl

Read first time 02/05/93. Referred to Committee on Health Care.

1 AN ACT Relating to imposing taxes on cigarettes and tobacco
2 products to fund health care; amending RCW 82.24.020 and 82.26.020;
3 adding a new section to chapter 43.70 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that tobacco use is
6 the single most preventable cause of death and disease in Washington
7 state, and that the direct and in-direct medical cost associated with
8 tobacco use is approaching one billion dollars in this state.
9 Increases in the price of cigarettes have proven to prevent smoking
10 among youth and reduce smoking prevalence among adults. Further,
11 educational and smoking cessation programs have proven to be successful
12 in addressing the use of tobacco by youths, pregnant women, and others.
13 One out of every five deaths in Washington is due to tobacco-related
14 causes. Over eight thousand of our residents die each year from
15 illnesses caused by tobacco use. It is therefore the intent of the
16 legislature to create the Washington health protection fund for the
17 purpose of providing a financial disincentive to smoking, a funding
18 source for needed health care programs, and education and cessation
19 programs to encourage a tobacco-free population.

1 **Sec. 2.** RCW 82.24.020 and 1989 c 271 s 504 are each amended to
2 read as follows:

3 (1) There is levied and there shall be collected as hereinafter
4 provided, a tax upon the sale, use, consumption, handling, possession
5 or distribution of all cigarettes(~~(7)~~) as follows: In an amount equal
6 to the rate of ((eleven and one-half)) 11.5 mills per cigarette through
7 June 30, 1994, 24 mills per cigarette for the period July 1, 1994,
8 through June 30, 1995, 36.5 mills per cigarette for the period July 1,
9 1995, through June 30, 1996, 49.0 mills per cigarette for the period
10 July 1, 1996, through June 30, 1997, 61.5 mills per cigarette beginning
11 July 1, 1997. The legislature shall review the need for increasing the
12 tax.

13 (2) Until July 1, 1995, an additional tax is imposed upon the sale,
14 use, consumption, handling, possession, or distribution of all
15 cigarettes, in an amount equal to the rate of one and one-half mills
16 per cigarette. All revenues collected during any month from this
17 additional tax shall be deposited in the drug enforcement and education
18 account under RCW 69.50.520 by the twenty-fifth day of the following
19 month.

20 (3) Wholesalers and retailers subject to the payment of this tax
21 may, if they wish, absorb one-half mill per cigarette of the tax and
22 not pass it on to purchasers without being in violation of this section
23 or any other act relating to the sale or taxation of cigarettes.

24 (4) For purposes of this chapter, "possession" shall mean both (a)
25 physical possession by the purchaser and, (b) when cigarettes are being
26 transported to or held for the purchaser or his designee by a person
27 other than the purchaser, constructive possession by the purchaser or
28 his designee, which constructive possession shall be deemed to occur at
29 the location of the cigarettes being so transported or held.

30 **Sec. 3.** RCW 82.26.020 and 1983 2nd ex.s. c 3 s 16 are each amended
31 to read as follows:

32 (1) From and after June 1, 1971, there is levied and there shall be
33 collected a tax upon the sale, use, consumption, handling, or
34 distribution of all tobacco products in this state at the rate of
35 forty-five percent of the wholesale sales price of such tobacco
36 products. Such tax shall be imposed at the time the distributor (a)
37 brings, or causes to be brought, into this state from without the state
38 tobacco products for sale, (b) makes, manufactures, or fabricates

1 tobacco products in this state for sale in this state, or (c) ships or
2 transports tobacco products to retailers in this state, to be sold by
3 those retailers.

4 (2) An additional tax is imposed equal to the rate specified in RCW
5 82.02.030 multiplied by the tax payable under subsection (1) of this
6 section.

7 (3) An additional tax is imposed on the wholesale price of tobacco
8 products as follows: For the period June 30, 1994, through June 30,
9 1995, the rate is forty-nine and one-half percent; for the period July
10 1, 1995, through June 30, 1996, the rate is fifty-nine and one-half
11 percent; for the period July 1, 1996, through June 30, 1997, the rate
12 is sixty-nine and one-half percent; and from July 1, 1997, and
13 thereafter, the rate is seventy-nine and one-half percent.

14 NEW SECTION. Sec. 4. A new section is added to chapter 43.70 RCW
15 to read as follows:

16 The Washington health protection fund is established in the state
17 treasury. Proceeds under RCW 82.24.020(1) attributable to the amount
18 over 11.5 mills per cigarette and proceeds under RCW 82.26.020(3) shall
19 be deposited in the Washington health protection fund and shall be
20 expended in the following manner: Eighty percent shall be used to
21 fund the basic health plan trust account. Twenty percent shall be
22 appropriated from the Washington health protection fund to the
23 department of health for the purposes of tobacco use prevention and
24 cessation programs. One-half of this money shall be used for programs
25 that include advertising that uses diverse media types, print, radio,
26 television, posters, and strives to reach all high-risk groups across
27 the state and in local communities. The media campaign will educate
28 the public on the health dangers of smoking. One-half of this money
29 shall be used for cessation and shall be allocated to those programs
30 that directly aid the individual in the pursuit of overcoming tobacco
31 addiction.

32 NEW SECTION. Sec. 5. This act is null and void if a health reform
33 measure that includes cigarette and tobacco product tax levels at least
34 equal to the level in this act is enacted by the 1993 legislature.

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