

**2SHB 1825 - H AMD 383**

By Representative Alexander

**FAILED 3/13/2007**

1 On page 2, after line 16, insert the following:

2 "Sec. 2. RCW 82.24.020 and 2003 c 114 s 1 are each amended to  
3 read as follows:

4 (1) There is levied and there shall be collected as provided in  
5 this chapter, a tax upon the sale, use, consumption, handling,  
6 possession or distribution of all cigarettes, in an amount equal to  
7 the rate of eleven and one-half mills per cigarette. An amount of  
8 the proceeds equal to the rate of five mills per cigarette shall be  
9 deposited into the local public health financing account created in  
10 section 3 of this act.

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

18 (3) An additional tax is imposed upon the sale, use,  
19 consumption, handling, possession, or distribution of all  
20 cigarettes, in an amount equal to the rate of ten mills per  
21 cigarette through June 30, 1994, eleven and one-fourth mills per  
22 cigarette for the period July 1, 1994, through June 30, 1995,  
23 twenty mills per cigarette for the period July 1, 1995, through  
24 June 30, 1996, and twenty and one-half mills per cigarette  
25 thereafter. All revenues collected during any month from this  
26 additional tax shall be deposited in the health services account  
27 created under RCW 43.72.900 by the twenty-fifth day of the  
28 following month.

29 (4) Wholesalers subject to the payment of this tax may, if they  
30 wish, absorb one-half mill per cigarette of the tax and not pass it

1 on to purchasers without being in violation of this section or any  
2 other act relating to the sale or taxation of cigarettes.

3 (5) For purposes of this chapter, "possession" shall mean both  
4 (a) physical possession by the purchaser and, (b) when cigarettes  
5 are being transported to or held for the purchaser or his or her  
6 designee by a person other than the purchaser, constructive  
7 possession by the purchaser or his or her designee, which  
8 constructive possession shall be deemed to occur at the location of  
9 the cigarettes being so transported or held."

10 Renumber remaining sections consecutively and correct internal  
11 references accordingly. Correct the title.

12 On page 3, line 15, after "treasury." strike all material  
13 through "this account" on line 17 and insert "A portion of the  
14 proceeds from taxes on cigarettes must be deposited into the  
15 account, as provided in RCW 82.24.020(1). Money in the account may  
16 be spent only after appropriation"

**EFFECT:** Provides five mills per cigarette (or 10 cents per pack of 20 cigarettes), equal to \$21 million in the first year, for the purposes of public health financing from cigarette tax receipts that would otherwise be deposited to the State General Fund. Deposits the amounts to the new Local Public Health Financing account.