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STATE OF KANSAS



TOPEKA

SENATE

March 14, 2012

COMMITTEE ASSIGNMENTS

CHAIR: LOCAL GOVERNMENT
VICE CHAIR: FEDERAL AND STATE AFFAIRS
MEMBER: ETHICS & ELECTIONS
PUBLIC HEALTH & WELFARE
TRANSPORTATION

SB 462 has the intent to insure that all tobacco products sold in the State of Kansas are treated comparably for tax purposes. The overlying reason for this is an effort to discourage the use of tobacco orally by young people who are targeted for addiction. It has been shown that increased prices for tobacco are a mitigating factor for its use. Health care costs increase exponentially with tobaccoism. Oral tobacco products cause head and neck cancer which is mostly treated with surgery which can be mutilating. It is frequently impossible to hide the disfigurement and many times cure is not possible, requiring further surgery.

Under current law cigarettes are taxed at the rate of \$0.79 per pack of 20 cigarettes. However, other tobacco products—such as; chewing tobacco, roll your own tobacco, snus and cigars are taxed at a much lower rate of only 10% of the wholesale sales price. This differential tax rate can have the effect of encouraging young people to use other tobacco products when the price of a pack of cigarettes may be cost-prohibitive.

This bill brings up the rate on these other tobacco products making it approximately equivalent on a per dose basis to the appropriate similar tax on a pack of cigarettes. The bill increases the tax on other tobacco products to 30% of the wholesale sales price. It also includes certain definitional changes to ensure that some of the newer tobacco products on the market are not able to avoid appropriate taxation. The bill also contains several technical amendments to conform the existing statutory language to current KDOR practices.

In summary, this bill is not designed for revenue purposes. It is a **Health Bill** targeted to discourage the use of other tobacco products, products that render its users seriously ill and in turn increase the cost of health care to the denizens of our state.