

**MISSOURI STATE AUDITOR'S OFFICE  
FISCAL NOTE (16-079)**

**Subject**

Initiative petition from Chuck Hatfield regarding a proposed amendment to Chapter 149 of the Revised Statutes of Missouri. (Received August 17, 2015)

**Date**

September 8, 2015

**Description**

This proposal would amend Chapter 149 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2016.

**Public comments and other input**

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

**Charles Andy Arnold** provided information as a proponent of the proposal to the State Auditor's office.

**Ronald J. Leone** provided information as a proponent of the proposal to the State Auditor's office.

## **Assumptions**

Officials from the **Attorney General's office** indicated they assume that any potential costs arising from the adoption of this proposal can be absorbed with existing resources.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated the proposal appears to provide for an increase in the tax levied upon the sale of cigarettes as well as an additional tax upon the first sale of tobacco products, other than cigarettes. Revenues generated shall be deposited in the general revenue. Their department has no means to calculate the potential of these proceeds. Any funds would be additional monies to general revenue.

Officials from the **Department of Higher Education** indicated this initiative petition would have no fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated their department would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this petition will have no fiscal impact on their department.

Officials from the **Department of Public Safety** indicated their department sees no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated no fiscal impact on their department.

Officials from the **Governor's office** indicated there should be no fiscal impact to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation** indicated their department anticipates no fiscal impact from this initiative petition.

Officials from the **Office of Administration (OA)** indicated the proposal enacts Section 149.017, RSMo, which increases the cigarette tax by 6 ½ mills per cigarette on 1/1/2017, another 2 ½ mills on 1/1/19, and another 2 ½ mills 1/1/2021. In addition, taxes on other tobacco products are increased by 5%. The increased revenue will be deposited in the General Revenue Fund.

Section 149.017.6, RSMo, also stipulates that, if any tax or fee increase on some or all cigarettes or other tobacco products is certified to be placed on any local or statewide ballot or if any section of this proposal is ruled null and void, then the additional taxes levied under this proposal shall immediately be repealed and reduced to zero.

In fiscal year (FY) 2015, there was \$81.7 million in cigarette excise taxes collected and \$17.7 million in other tobacco product excise taxes collected. OA assumes that the average pack of cigarettes retails for \$4.50, translating to roughly 480.9 million packs sold in Missouri and that the average other tobacco product unit retails for \$4.09, translating to roughly \$176.9 million in wholesales in Missouri. OA further assumes that cigarette sales and other tobacco product sales have a (0.8) elasticity. However, there is no way to truly know what impact these tax increases will have on demand due to smoking cessation efforts, other state and federal regulations, and the increase in sales of e-cigarettes and other substitute products.

Table 1 (below) shows OA estimates for the reduced revenue caused by a decrease in demand from the additional taxes on cigarettes and other tobacco products, while Table 2 (below) shows the net impact to the General Revenue Fund.

OA estimates this proposal will increase the General Revenue Fund by \$108.4 million when fully implemented in FY 2022.

**Table 1: Revenue loss due to decreased demand, by fiscal year**

	2017	2018	2019	2020	2021	2022
<b>Revenue loss from lower demand on initial cigarette tax</b>						
Health Initiatives Fund	(\$0.2)	(\$0.4)	(\$0.5)	(\$0.6)	(\$0.7)	(\$0.8)
State Schools Money Fund	(\$0.5)	(\$1.0)	(\$1.2)	(\$1.3)	(\$1.5)	(\$1.7)
Fair Share Fund	(\$0.2)	(\$0.4)	(\$0.5)	(\$0.6)	(\$0.7)	(\$0.8)
<b>Revenue loss from reduced sales tax on cigarettes</b>						
School District Trust Fund	(\$0.2)	(\$0.5)	(\$0.6)	(\$0.6)	(\$0.7)	(\$0.8)
Local Sales Tax	(\$1.0)	(\$2.0)	(\$2.3)	(\$2.7)	(\$3.1)	(\$3.4)
<b>Revenue loss from lower demand on initial other tobacco products tax</b>						
Health Initiatives Fund	(\$0.3)	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.6)
<b>Revenue loss from reduced sales tax on other tobacco products</b>						
School District Trust Fund	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
Local Sales Tax	(\$0.1)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)
<b>Net Impact</b>						
Health Initiatives Fund	(\$0.5)	(\$1.0)	(\$1.1)	(\$1.2)	(\$1.3)	(\$1.4)
State Schools Money Fund	(\$0.5)	(\$1.0)	(\$1.2)	(\$1.3)	(\$1.5)	(\$1.7)
Fair Share Fund	(\$0.2)	(\$0.4)	(\$0.5)	(\$0.6)	(\$0.7)	(\$0.8)
School District Trust Fund	(\$0.2)	(\$0.6)	(\$0.7)	(\$0.7)	(\$0.8)	(\$0.9)
Local Sales Tax	(\$1.1)	(\$2.3)	(\$2.6)	(\$3.0)	(\$3.4)	(\$3.7)

*figures in \$ million*

**Table 2: Net impact to General Revenue Fund, by fiscal year**

	2017	2018	2019	2020	2021	2022
<b>Cigarette Tax</b>						
Increased revenue from additional tax	\$29.6	\$59.3	\$70.3	\$81.4	\$92.2	\$103.1
Decreased revenue from lost sales tax	(\$0.7)	(\$1.4)	(\$1.7)	(\$1.9)	(\$2.2)	(\$2.4)
<b>Other Tobacco Products</b>						
Increased revenue from additional tax	\$4.0	\$7.9	\$7.9	\$7.9	\$7.9	\$7.9
Decreased revenue from lost sales tax	(\$0.1)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)
<b>Net impact to General Revenue</b>	<b>\$32.8</b>	<b>\$65.6</b>	<b>\$76.3</b>	<b>\$87.2</b>	<b>\$97.7</b>	<b>\$108.4</b>

*figures in \$ million*

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Their office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and their office was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, their office reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated the initiative petition will not have any direct impact on their office.

Officials from the **State Treasurer's office** indicated this proposal will have no fiscal impact on their office.

Officials from **Greene County** indicated that there are no estimated costs or savings to report from their county for this initiative petition.

Officials from the **City of Columbia** indicated the proposed petition does not appear to directly affect their city. Revenue raised from new tobacco taxes would be deposited to the state General Revenue Fund which, unless allocated to pass-through programs, is likely to be used for state services.

On the other hand, subsection 6 appears to nullify the state tax if there are attempts to levy additional local tobacco taxes. That would seem to chill local interest and prevent new local revenue from that source.

Officials from the **City of Kansas City** indicated this initiative petition has no fiscal impact on their city.

Officials from the **City of Raymore** indicated no fiscal impact.

**Charles Andy Arnold** provided the following information as a proponent of this initiative petition.



P. O. Box 161, Wright City, Missouri 63390  
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Telephone: (314) 971-1000

August 10, 2015

Ron Leone, Executive Director  
Missouri Petroleum Marketers &  
Convenience Store Association  
205 East Capitol Avenue, Suite 200  
Jefferson City, MO 65101

Re: Revenue Projections for a 135% increase in Missouri  
Cigarette Excise Tax & a 50% increase in Missouri  
Other Tobacco Products tax

Dear Ron:

Attached, please find three (3) Tables in support of your IP proposal. I prepared the attached Tables per the increases per the IP and it's minimal effect on overall tobacco sales in the state.

The calculations presented are based on static factors that impact sales based on historical and market conditions. At some point I may run a regression analysis including other factors, but that is not necessary at this time.

The revenues projected by Tables B and C show the following:

- ❖ Table B- 135% increase in cigarette excise tax will generate approximately \$722 million new tax dollars over a 10-year period, total cigarette excise tax revenue over the period of approximately \$1.5 billion.
- ❖ Table C- 50% increase in the OTP manufacturers invoice tax will generate approximately \$98 million new tax dollars over a 10-year period, total OTP excise tax revenue over the period of approximately \$333 million.

I used a static sales reduction factor for cigarette sales of 3.6% per year; and, a static sales increase factor for OTP of 2% per year.

You may use this letter and the attached Tables for your IP submission, or I can provide this to the SOS after you file.

Warmest Regards,

*C. Andy Arnold*

Charles A. Arnold

Attachments

CC: Craig Taylor

**Table A: Missouri Cigarette and Other Tobacco Products (OTP) Tax Revenue Collections (Net)**

<b>Calendar Year</b>	<b>Cigarette Tax Revenue</b>	<b>Percentage Change +/-</b>	<b>OTP Tax Revenue</b>	<b>Percentage Change +/-</b>
2004	\$98,815,335		\$10,837,459	
2005	\$99,247,687	0.44%	\$11,035,093	1.82%
2006	\$99,873,124	0.63%	\$11,448,194	3.74%
2007	\$96,959,033	-2.92%	\$11,917,483	4.10%
2008	\$97,150,389	0.20%	\$12,214,822	2.49%
2009	\$94,799,203	-2.42%	\$13,065,193	6.96%
2010	\$91,151,815	-3.85%	\$15,011,542	14.90%
2011	\$89,965,909	-1.30%	\$15,551,490	3.60%
2012	\$88,609,044	-1.51%	\$16,308,821	4.87%
2013	\$86,837,984	-2.00%	\$16,895,556	3.60%
2014	\$82,301,596	-5.22%	\$17,225,213	1.95%

*Source: Missouri Department Of Revenue Tobacco Product Wholesalers Reports (Forms 4916)*

**Table B: Revenue Projections for a 135% Increase in Missouri Cigarette Excise Tax Phased-in over 4-years**

*Baseline Sales Year (Cigarettes) 2014				23-Cents Cigarette Excise Tax Increase Phased-In Over 4-years				
Total Stick Sales	Total Pack Sales	(17-cents)	Net Cigarette	(13-cents)	(5-cents)	(5-Cents)	Total Net Excise Tax Per Pack	
		Net Excise Tax Per Pack	Excise Tax Revenue	Net Cigarette Excise Tax Revenue	Net Cigarette Excise Tax Revenue	Net Cigarette Excise Tax Revenue		
9,926,538,347	496,326,917	0.165821343	\$82,301,596					
<b>**Static Sales Reduction Factor</b>				<b>Net Excise Tax Per Pack</b>	<b>Net Excise Tax Per Pack</b>	<b>Net Excise Tax Per Pack</b>		
0.964				0.126100000	0.048500000	0.048500000		
2015	9,569,182,967	478,459,148	0.165821342	\$79,338,738				
2016	9,224,692,380	461,234,619	0.165821343	\$76,482,544				
2017	8,892,603,454	444,630,173	0.165821342	\$73,729,172	\$56,067,865		\$56,067,865	
2018	8,572,469,730	428,623,487	0.165821342	\$71,074,922	\$54,049,422		\$54,049,422	
2019	8,263,860,820	413,193,041	0.165821343	\$68,516,225	\$52,103,642	\$20,039,862	\$72,143,504	
2020	7,966,361,830	398,318,092	0.165821343	\$66,049,641	\$50,227,911	\$19,318,427	\$69,546,338	
2021	7,679,572,804	383,978,640	0.165821344	\$63,671,854	\$48,419,707	\$18,622,964	\$85,665,635	
2022	7,403,108,183	370,155,409	0.165821343	\$61,379,667	\$46,676,597	\$17,952,537	\$82,581,671	
2023	7,136,596,288	356,829,814	0.165821343	\$59,169,999	\$44,996,240	\$17,306,246	\$79,608,732	
2024	6,879,678,822	343,983,941	0.165821343	\$57,039,879	\$43,376,375	\$16,683,221	\$76,742,817	
2025	6,632,010,384	331,600,519	0.165821342	\$54,986,443	\$41,814,825	\$16,082,625	\$73,980,075	
2026	6,393,258,010	319,662,901	0.165821344	\$53,006,932	\$40,309,492	\$15,503,651	\$71,316,794	
				<u>\$784,446,016</u>	<u>\$478,042,076</u>	<u>\$141,509,533</u>	<u>\$102,151,244</u>	<u>\$721,702,853</u>

**Notes:**

\*Baseline Sales Year data from Missouri Department of Revenue monthly Tobacco Product Wholesalers Reports (Form 4916)

\*\*Missouri Cigarette sales have declined an average of 3.6% per year since 2013

**Assumption:** A static decline of 3.6% in cigarette sales is projected for the tax increase contemplated.

**Table C: Revenue Projections for a 50% Increase in Missouri Other Tobacco Products Excise Tax**

<b>*Baseline Sales Year For OTP- 2014</b>			
<b>MFG Invoice Price</b>	<b>Net 10% OTP Tax Revenue Collected</b>	<b>(5% Increase) Net OTP Excise Tax Revenue</b>	
\$175,767,480	\$17,225,213		
<b>**Static Sales Increase Factor</b>			
1.02			
2015	\$179,282,830	\$17,569,717	
2016	\$182,868,487	\$17,921,112	
2017	\$186,525,857	\$18,279,534	\$8,956,972
2018	\$190,256,374	\$18,645,125	\$9,136,111
2019	\$194,061,501	\$19,018,027	\$9,318,833
2020	\$197,942,731	\$19,398,388	\$9,505,210
2021	\$201,901,586	\$19,786,355	\$9,695,314
2022	\$205,939,618	\$20,182,083	\$9,889,221
2023	\$210,058,410	\$20,585,724	\$10,087,005
2024	\$214,259,578	\$20,997,439	\$10,288,745
2025	\$218,544,770	\$21,417,387	\$10,494,520
2026	\$222,915,665	\$21,845,735	\$10,704,410
	<u>\$235,646,626</u>	<u>\$98,076,341</u>	

**Notes:**

\*Baseline Sales Year data from Missouri Department of Revenue monthly Tobacco Product Wholesalers Reports (Form 4916)

\*\*Missouri OTP sales have increased an average of 2% per year since 2013

**Assumptions:** A static increase of 2% in OTP sales is projected for the tax increase contemplated.

**Ronald J. Leone** provided the following information as a proponent of this initiative petition.

## FOR IMMEDIATE RELEASE

### CONTACT:

Ronald J. Leone, Executive Director  
Missouri Petroleum Marketers & Convenience Store Association (MPCA)  
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### **RETAILERS SUPPORT REASONABLE TOBACCO TAX INCREASE TO HELP FUND TRANSPORTATION**

**Jefferson City, MO, August 17, 2015** - After successfully opposing three (3) outrageous and unfair statewide tobacco tax increases, today the Missouri Petroleum Marketers & Convenience Store Association (MPCA) is filing two (2) nearly identical versions of an initiative petition (IP) that allows the people to vote on a 135% cigarette tax increase and 50% tax increase on other tobacco products (OTP).

The first IP uses the new funds generated to fund transportation. The second IP simply places the new funds into general revenue (GR). Either IP would be put to a vote of the people on November 8, 2016 and would be effective on January 1, 2017.

Over the first 10 years, either IP is projected to generate total new revenues of more than \$800 million.

"These IPs accomplish three (3) critical goals: they raise more than \$800 million in new tax revenues over the first ten (10) years that can be used to help fund a critical state need; they protect consumers from outrageous and unfair tax increases; and they allow Missouri retailers to maintain the competitive tax advantage we have over our 8 border-states", said Ronald J. Leone, Executive Director of MPCA.

"Since 2002, common-sense, conservative Missouri voters have defeated three (3) outrageous and unfair tobacco tax increases. MPCA believes that the voters would support a reasonable and fair but still substantial 135% tobacco tax increase", Leone continued.

"If a reasonable tobacco tax increase would have been proposed back in 2002, as MPCA publicly urged, we would have raised more than a \$1 billion in new revenues to date. It's never too late to seek a reasonable but still substantial tobacco tax increase that the voters will actually support", Leone concluded.

### **IP Summary**

► **Cigarettes: 149.017.1.** 135% tax increase on cigarettes (23¢ per pack) phased-in as follows: 13¢ per pack on 1/1/17; 5¢ per pack on 1/1/19; and 5¢ per pack on 1/1/21.

Once fully phased-in, the total tax will be 40¢ per pack - 17¢ per pack existing tax + 23¢ per pack proposed by the IP.

► **Tobacco: 149.017.2.** 50% tax increase on "other tobacco products" (OTP, from 10% to 15%) effective 1/1/17. No phase-in.

► **How Much Revenue Is Generated & Where It Goes: 149.107.3.** In the first IP, the new funds generated would be used to fund transportation. In the second IP, the new funds generated are placed into general revenue (GR).

Over the first 10 years, either IP is projected to generate total new revenues of more than \$800 million.

Please see the detailed revenue projection tables attached hereto.

► **No Floor Tax: 149.017.4 & 149.017.5.** The tax increases apply only to new purchases and not to cigarette and tobacco inventories.

► **Roll Back: 149.017.6, 149.017.7 & 149.017.8.** MPCA is worried about getting hit with a second or even third tobacco tax increase after the IP passes. Thus, we've included a "roll back" provision which states if another tobacco tax increase is pursued by IP in the future then this 135% cigarette tax increase and 50% OTP tax increase would automatically and immediately be repealed and reduced to zero. This means the new IP group would be starting from the current tax of 17¢ per pack, and not 40¢ per pack, and from 10% and not 15% on OTP.

► **Package Deal: 149.017.9.** Nonseverability clause. The IPs are a package deal and the individual provisions can't be repealed or ruled unconstitutional by a court of law.

- END -

**Table A: Missouri Cigarette and Other Tobacco Products (OTP) Tax Revenue Collections (Net)**

Calendar Year	Cigarette Tax Revenue	Percentage Change +/-	OTP Tax Revenue	Percentage Change +/-
2004	\$98,815,335		\$10,837,459	
2005	\$99,247,687	0.44%	\$11,035,093	1.82%
2006	\$99,873,124	0.63%	\$11,448,194	3.74%
2007	\$96,959,033	-2.92%	\$11,917,483	4.10%
2008	\$97,150,389	0.20%	\$12,214,822	2.49%
2009	\$94,799,203	-2.42%	\$13,065,193	6.96%
2010	\$91,151,815	-3.85%	\$15,011,542	14.90%
2011	\$89,965,909	-1.30%	\$15,551,490	3.60%
2012	\$88,609,044	-1.51%	\$16,308,821	4.87%
2013	\$86,837,984	-2.00%	\$16,895,556	3.60%
2014	\$82,301,596	-5.22%	\$17,225,213	1.95%

Source: Missouri Department Of Revenue Tobacco Product Wholesalers Reports (Forms 4916)



**Table C: Revenue Projections for a 50% Increase in Missouri Other Tobacco Products Excise Tax**

*Baseline Sales Year For OTP- 2014		(5% Increase) Net OTP Excise Tax Revenue
MFG Invoice Price	Net 10% OTP Tax Revenue Collected	
\$175,767,480	\$17,225,213	
<b>**Static Sales</b>		
Increase Factor 1.02		
2015	\$179,282,830	\$17,569,717
2016	\$182,868,487	\$17,921,112
2017	\$186,525,857	\$18,279,534
2018	\$190,256,374	\$18,645,125
2019	\$194,061,501	\$19,018,027
2020	\$197,942,731	\$19,398,388
2021	\$201,901,586	\$19,786,355
2022	\$205,939,618	\$20,182,083
2023	\$210,058,410	\$20,585,724
2024	\$214,259,578	\$20,997,439
2025	\$218,544,770	\$21,417,387
2026	\$222,915,665	\$21,845,735
		<u>\$235,646,626</u>
		<u>\$98,076,341</u>

**Notes:**

\*Baseline Sales Year data from Missouri Department of Revenue monthly Tobacco Product Wholesalers Reports (Form 4916)

\*\* Missouri OTP sales have increased an average of 2% per year since 2013

**Assumptions:** A static increase of 2% in OTP sales is projected for the tax increase contemplated.

The State Auditor's office did not receive a response from **Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County Legislators, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, State Technical College of Missouri, Metropolitan Community College, University of Missouri, and St. Louis Community College.**

### **Fiscal Note Summary**

State government revenue will increase by approximately \$95 million to \$103 million annually when cigarette and tobacco tax increases are fully implemented. Local government revenues could decrease approximately \$3 million annually due to decreased cigarette and tobacco sales.