

House File 2796 - Introduced

HOUSE FILE 2796

BY CROKEN

A BILL FOR

1 An Act increasing the tax on cigarettes.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 453A.6, subsection 1, Code 2026, is
2 amended to read as follows:

3 1. There is imposed, and shall be collected and paid to the
4 department, a tax on all cigarettes used or otherwise disposed
5 of in this state for any purpose equal to ~~six~~ fourteen and
6 ~~eight-tenths~~ three-tenths cents on each cigarette.

7 Sec. 2. Section 453A.6, subsection 8, paragraph a, Code
8 2026, is amended to read as follows:

9 a. Pay directly to the department, in lieu of the tax under
10 subsection 1, a tax equal to ~~three and six~~ six and forty-three
11 hundredths cents on each cigarette dispensed from such machine.
12 Payments made under this paragraph shall be remitted to the
13 department electronically.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill increases the cigarette tax from 6.8 cents per
18 cigarette to 14.3 cents per cigarette. The overall tax on a
19 pack of cigarettes (20 cigarettes) goes from \$1.36 to \$2.86.
20 The bill also raises the tax on loose tobacco products inserted
21 into a vending machine from which assembled cigarettes are
22 dispensed. The tax is increased from 3.06 cents on each
23 cigarette dispensed from the vending machine to 6.43 cents.