

HB 2159 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/10, 4/11

WHAT THE MEASURE DOES:

Defines terms related to inhalant products. Imposes new tax on the distribution of inhalant products in Oregon based on a percentage of the wholesale sales price. Provides the Department of Revenue (DOR) authority to administer and enforce the taxation of inhalant products. Establishes civil and criminal penalties related to unlawful inhalant product distribution. Licensing provisions become operative on January 1, 2020. Applies to inhalant product sold on or after January 1, 2020. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Recently, the US has seen an increase in the development and use of inhalant delivery systems and inhalant forms of nicotine (i.e. e-cigarettes and vapor based products). Currently, these systems and forms of nicotine are not taxed within Oregon. According to the Public Health Law Center, as of December 15th, 2018 ten states tax inhalant forms of nicotine. This bill defines these new forms of tobacco use in statute and establishes a tax structure for this form of tobacco.