

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2157

STATE OF NEW JERSEY

DATED: JUNE 20, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2157.

Assembly Bill No. 2157 enacts a tax increase of \$0.25 per pack of 20 cigarettes effective January 1, 1997, but only if the Constitutional dedication of the tax increase to public school districts facilities aid in the companion bill, Assembly Concurrent Resolution 1, is previously approved by the voters .

Currently, the State tax on cigarettes is \$0.02 per cigarette, or \$0.40 per pack. This bill increases the tax to \$0.0325 per cigarette, or \$0.65 per pack.

FISCAL IMPACT:

This tax rate increase is expected to raise an additional \$130 million in cigarette tax revenues in fiscal year 1997. If the companion Constitutional amendment is approved by the voters, this additional \$130 million, or 38.46% of the total anticipated revenue from the cigarette tax, will be dedicated to additional State aid for school district facilities. This aid is intended to supplement the current level of \$70 million appropriated for such aid.