Consumption and Excise Taxes

2009 Orientation
Excise Taxes

- Tobacco
- Alcoholic Beverages
- Telecommunications
- Fuel and Weight Mile
- Transient Lodging Tax
Tobacco Revenues

- Cigarette Taxes
- Other Tobacco Products Taxes
- Master Settlement Agreement
Oregon # 26 @ $1.18
2007-08 Revenue

$222.2 Million

- Health Plan: 69%
- General Fund: 23%
- TURA: 3%
- Local: 5%

Total Revenue: $222.2 Million
## Distribution Proportions

### (Percents)

<table>
<thead>
<tr>
<th>Tax Rate</th>
<th>GF</th>
<th>H Plan</th>
<th>TURA</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$0.58 Perm.</strong></td>
<td>37.931</td>
<td>46.546</td>
<td>5.173</td>
<td>10.35</td>
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<tr>
<td>(ORS 323.030, 455)</td>
<td></td>
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<tr>
<td><strong>$0.60 (2002)</strong></td>
<td>97.900</td>
<td>0.700</td>
<td>0.700</td>
<td>1.400</td>
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<tr>
<td>(ORS 323.031, 457)</td>
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<tr>
<td><strong>Percent of Total</strong></td>
<td>18.644</td>
<td>72.658</td>
<td>2.898</td>
<td>5.799</td>
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<tr>
<td><strong>$0.10 Temp</strong></td>
<td>100.00</td>
<td></td>
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<tr>
<td>(Elapsed with Measure 30)</td>
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<tr>
<td><strong>Percent</strong></td>
<td>17.187</td>
<td>74.794</td>
<td>2.672</td>
<td>5.346</td>
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<tr>
<td>(Elapsed with Measure 30)</td>
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</tbody>
</table>
Distribution Proportions

Total Tax $1.18

$0.58/pack (29 mills) (ORS 323.030, 455)
- 89.65% to GF
  - 51.92% to OHP
  - 5.77 to TURA
- 10.35% city/county & Transit

$.60/pack (30 mills) (ORS 323.031, 457)
- 29.37/30 to OHP
- 0.21/30 to TURA
- 0.14/30 three times to locals
Other Tobacco Products

Percent of Wholesale Price

2001: Cigars limited to $0.50 each
Tax on Cigars

Wholesale Price per Cigar

<table>
<thead>
<tr>
<th>Wholesale Price per Cigar</th>
<th>Tax per Cig</th>
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<tbody>
<tr>
<td>$0.10</td>
<td>$0.00</td>
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<tr>
<td>$0.30</td>
<td>$0.20</td>
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<tr>
<td>$0.50</td>
<td>$0.40</td>
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<tr>
<td>$0.70</td>
<td>$0.60</td>
</tr>
<tr>
<td>$0.90</td>
<td>$0.80</td>
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<tr>
<td>$1.10</td>
<td>$1.00</td>
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<td>$1.30</td>
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<td>$1.40</td>
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<tr>
<td>$1.70</td>
<td>$1.60</td>
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<tr>
<td>$1.90</td>
<td>$1.80</td>
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</table>

Limit
2007-08 OTP Revenue

$ 32.8 Million

Health Plan 41.0%

Admin& T.F. 2.5%

General Fund 52.0%

TURA 4.6%
Total Tobacco Revenue
Cigarettes and OTP

Millions of Dollars


GF | H. Plan | TURA | Transit | Local
Master Settlement Agreement

- 47 States
- Cigarette Manufacturers
  - 4 Original Participating (96.4%)
  - Subsequent Participating
  - Non-Participating
- Annual Payments in Perpetuity
  - Subject to Adjustments
## Estimated Payments

**Millions of Dollars**

<table>
<thead>
<tr>
<th>Period</th>
<th>Initial Payment</th>
<th>Annual Payment</th>
<th>Oregon’s Approx Share</th>
<th>Strategic Payment</th>
<th>Total Oregon</th>
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<tbody>
<tr>
<td>2002 - 03</td>
<td>2,104.7</td>
<td>4,990.1</td>
<td>174.2</td>
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<td>174.2</td>
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<tr>
<td>2003 – 07</td>
<td>6,121.9</td>
<td>70.3 per year</td>
<td>282.6</td>
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<tr>
<td>2007-17</td>
<td>6,642.4</td>
<td>72.5 per year</td>
<td>18.5 per year</td>
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<td>823.9</td>
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<tr>
<td>2017 +</td>
<td>8,145.4</td>
<td>93.5 per year</td>
<td>93.5 per year</td>
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<tr>
<td>Period</td>
<td>Total Revenue</td>
<td>OMAP(03)/OHP(05-)</td>
<td>OR. App. Bonds</td>
<td>OHSU Debt Series 02&amp;03</td>
<td>GF. Ins, Health and Balance</td>
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<tr>
<td>.....6/30/2003</td>
<td>338. and 9.3</td>
<td>211.8</td>
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<td>125.2, Balan-10.2-</td>
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<td>2003 – 05</td>
<td>155.4</td>
<td>43.0</td>
<td>41.7</td>
<td>9.65</td>
<td>Balan-61.2-</td>
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<tr>
<td>2005-07</td>
<td>137.43</td>
<td>0.9</td>
<td>86.4</td>
<td>31.9</td>
<td>0.7, Bal 70.6</td>
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<tr>
<td>2007-09</td>
<td>181.3</td>
<td></td>
<td>75.4</td>
<td>31.9</td>
<td>0.9, Bal 106.8</td>
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<td>Biennium</td>
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<tr>
<td>2009 – 11</td>
<td>181.1</td>
<td>20.0</td>
<td>139.02</td>
<td>31.9</td>
<td>1.1, 95.7 Bal</td>
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<td>2011 – 13</td>
<td>184.85</td>
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<td>144.64</td>
<td>31.9</td>
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<td>2013 -15</td>
<td>188.6</td>
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<td>28.9</td>
<td>31.9</td>
<td>1.3, 222.13 Bal</td>
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<tr>
<td>Biennium</td>
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</tr>
</tbody>
</table>
Alcoholic Beverages

- Beer & Cider (Malt Beverages)
- Wine
- Distilled Spirits
BEER TAX RATES

Year Rate Increased

1933 1935 1975 1977

$ Per Barrel (31 Gallons)

0 0.5 1 1.5 2 2.5 3

8.38 Cents /Gal
State Rates (Excise) as of 1/1/08

Dollars per Gallon

Oregon # 45 to 48
@ $0.084
State Rates (Excise + Sales) as of 1/1/08

Dollars per Gallon

Oregon # 50 and 51 @ $0.084
2007-08 Beer Tax
$7.3 Million Dollars

- Mental Health: 50%
- Cities: 17%
- Counties: 5%
- General Fund: 28%
Beer Tax Revenue

Millions of Dollars

[Bar chart showing the revenue from 1981-82 to 2007-08 for Mental Health, GF, and Local.]
Wine Tax Rates

Dollars per Gallon

- 1933
- 1937
- 1944
- 1949
- 1974
- 1975
- 1977
- 1983

- 14% or Less
- 14% to 21%
State Wine Tax Rates

Dollars per Gallon

as of January-2008

Oregon # 24 @ $0.67
State Wine & Sales Tax Rates

Dollars per Gallon
as of January-2008

Oregon # 47 @ $0.67
2007-08 Wine Tax Revenue

- Mental Health: 49%
- General Fund: 27%
- City: 16%
- County: 5%
- Wine Board: 3%

Total: $8.73 Million
Wine Tax Revenue (History)

Millions of Dollars

Table
Desert

[Graph showing wine tax revenue over time, with years from 1981-8 to 2007-8]
OLCC Liquor Markup

Bar graph showing the markup percentages from 1978-1979 to 2006-2007.
2007-08 OLCC Revenue

$422.2 Million in Total Revenue

- Net Sales: 32%
- Oper. Exp.: 15%
- Cost of GS: 48%
- Privilege: 4%
- License: 1%

2007-08 OLCC Revenue...
DISTRIBUTION FORMULA

• Privilege Tax
  • 2¢ of Wine Tax to Wine Board (1984)
  • Balance of Wine Tax + Beer Tax
    • 50% to Mental Health
    • 50% included in OLCC Distribution

• OLCC Net Revenue
  • 56% to State General Fund
  • 10% to Counties by Population
  • 20% to Cities by Population
  • 14% to Cities by Formula (1977) (ORS 221.770)
2007-08 Total OLCC Revenue Distributions

$155.8 Million Distributed

- General Fund: 53.1%
- Cities: 32.2%
- Counties: 9.5%
- Mental Health: 5.1%
- Wine Board: 0.2%
9-1-1 Emergency Access Tax

- 1981: 3% of Access Charge
- 1991: 5% of Access Charge (Temp.)
- 1995: $0.75 per Month per circuit
Fuel Taxes

- **Gasoline** (any fuel the chief use of which is for)
  - Propulsion of Motor Vehicle (24¢)
  - Propulsion of Aircraft
    - Piston (9¢)
    - Jet (1¢)
- **Diesel, CNG, & etc.** (used to)
  - Propel a Motor Vehicle (24¢)
    - Weight-Mile Tax (vehicles > 26,000 pounds)
      - Flat Fees
      - Road Use Assessment Fee
Motor Vehicle Fuel Tax Rates

Cent per Gallon

- Nominal
- Real
- 2008 $$
Weight-Mile Taxes

- **Weight-Mile Taxes**

- **Table A: 26,000 to 80,000 Pounds**
  - Graduated Based on Weight
    - $0.04 per Mile @ 26,000 Pounds
    - $0.1316 per Mile @ 80,000 Pounds

- **Table B: 80,000 to 105,500 Pounds**
  - Graduated based on Weight and Axles

- **In Lieu (Flat Fees)**
  - Log, Sand & Gravel, and Chip Trucks

- **Road Use Assessment Fee**
Weight-Mile Tax Rates

Adjusted for Current Law changes

Declared GVW (Starting LB)
Declared Vehicle Weight

Cents per Mile

5- Axles
6 Axles
7 Axles
8 Axles
9+ Axles
In Lieu Taxes

- Flat Fees
  - Log Trucks $6.10 per Hundred Weight
  - Farm Trucks $5.00 per Hundred Weight
  - Dump Trucks $6.05 per Hundred Weight
  - Chip Trucks $24.62 per Hundred Weight

- Road Use Assessment Fee
  - 5.7¢ per ESAL* Mile

*equivalent single-axle load” means the relationship between actual or requested weight and an 18,000 pound single-axle load as determined by the American Association of State Highway and Transportation Officials Road Tests reported at the Proceedings Conference of 1962. (ORS 818.225)
Weight-Mile Tax Revenue
(including FF & RUAF)
Millions of Dollars

Fiscal Year Ending

Transient Lodging Tax

- HB 2267 of the 2003 session
- Imposes a state wide 1% tax on transient Lodging
- DOR administers, transfers net of collection cost (max 2%) to Tourism commission
- Fund State tourism marketing and regional marketing program
- Lodging providers collect and keep 5%.
- Start January 1, 2004, and transmit quarterly
- Limits new local taxes to tourism related taxes (70%)
Transient Lodging Tax

Revenue Estimates in millions (at start time by LRO)

<table>
<thead>
<tr>
<th></th>
<th>03-05</th>
<th>05-07</th>
<th>07-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$16.46</td>
<td>$20.41</td>
<td>$22.51</td>
</tr>
</tbody>
</table>

First year 2004 actual were weak

- $1.5 million, FY 2005
- $8.4 million, FY 2006
- $9.24 million, FY 2007
- 10.74, $19.98 BN (net).

FY 08 $11.84
Transient Lodging Tax
Effective Tax Rate 7.7%

Local Tax Receipts

Million


100 90 80 70 60 50 40 30 20 10 0

96.6