

JOINT COMMITTEE ON TAXATION
February 2, 2009
JCX-15-09

**ESTIMATED REVENUE EFFECTS OF THE INTERNAL REVENUE CODE PROVISIONS CONTAINED IN H.R. 2,
THE "CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT OF 2009,"[1]
AS AMENDED BY THE SENATE ON JANUARY 29, 2009**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Increase Tax Rates and Modify Certain Definitions													
A. Increase in Excise Tax Rate on Tobacco Products and Cigarette Papers and Tubes [2]													
1. Small Cigars.....	ara 3/31/09	46	108	91	91	91	92	92	92	92	92	428	886
2. Large Cigars.....	ara 3/31/09	75	424	419	425	433	442	451	458	466	474	1,777	4,070
3. Cigarettes.....	ara 3/31/09	3,489	6,479	6,173	6,117	6,066	6,014	5,960	5,906	5,849	5,795	28,326	57,850
4. All other tobacco products.....	ara 3/31/09	145	307	289	286	285	283	281	279	276	274	1,312	2,705
B. Modify Definition of Roll-Your-Own Tobacco.....	ara 3/31/09	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	1	2
Total of Increase Tax Rates and Modify Certain Definitions		3,756	7,320	6,972	6,920	6,876	6,831	6,783	6,736	6,684	6,636	31,844	65,513
II. Strengthen Regulatory and Enforcement Authority With Respect to Tobacco and Alcohol													
A. Permit, Reporting, and Recordkeeping Requirements for Manufacturers and Importers of Processed Tobacco.....	4/1/09	----- <i>Negligible Revenue Effect</i> -----											
B. Broaden Authority to Deny, Suspend, and Revoke Tobacco Permits.....	DOE	----- <i>Negligible Revenue Effect</i> -----											
C. Clarify Statute of Limitations Pertaining to Excise Taxes Imposed on Imported Alcohol, Tobacco Products, and Cigarette Papers and Tubes.....	aiiUSa DOE	----- <i>Negligible Revenue Effect</i> -----											
D. Impose Immediate Tax on Unlawfully Manufactured Tobacco Products and Cigarette Papers and Tubes.....	DOE	----- <i>Negligible Revenue Effect</i> -----											

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
E. Use of Tax Information in Tobacco Transition													
Payment Assessments [4].....	DOE	[3]	1	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	1	2
F. Study Concerning Magnitude of Tobacco													
Smuggling in the United States.....	[5]	----- <i>No Revenue Effect</i> -----											
Total of Strengthen Regulatory and Enforcement Authority With Respect to Tobacco and Alcohol		[3]	1	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	1	2
III. Modify Timing for Corporate Estimated Tax													
Payment [6]	DOE	---	---	---	---	302	-302	---	---	---	---	302	---
NET TOTAL		3,756	7,321	6,972	6,920	7,178	6,529	6,783	6,736	6,684	6,636	32,147	65,515

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column: aiiUSa – articles imported into the United States after ara – articles removed after DOE – date of enactment

[1] Revenue estimates are prepared using our 2009 estimating models, which rely on the Congressional Budget Office’s January 2009 macroeconomic forecasts. The Congressional Budget Office plans to prepare a March revision to its baseline macroeconomic assumptions. If large-scale stimulus legislation is enacted early in 2009, the Congressional Budget Office’s March 2009 revised macroeconomic forecasts could be expected to differ, perhaps significantly, from their January 2009 counterparts. In that case, we anticipate that we would revise our 2009 estimating models to reflect the Congressional Budget Office’s March 2009 macroeconomic forecasts: revenue estimates prepared using these revised March 2009 macroeconomic inputs again could differ, perhaps materially, from revenue estimates of the same request using our 2009 models with January 2009 macroeconomic forecasts.

[2] The excise tax rates on tobacco products and cigarette papers and tubes would be as follows:

- Cigars weighing not more than three pounds per thousand ("small cigars")..... \$50.33 per thousand (\$1.0066 per pack)
- Cigars weighing more than three pounds per thousand ("large cigars")..... 52.75% of the manufacture's or importer's sales price but not more than \$0.4026 per cigar
- Cigarettes weighing not more than three pounds per thousand ("small cigarettes")..... \$50.33 per thousand (\$1.0066 per pack)
- Cigarettes weighing more than three pounds per thousand ("large cigarettes")..... \$105.69 per thousand
- Cigarette papers..... \$0.0315 for each 50 papers
- Cigarette tubes..... \$0.0630 for each 50 tubes
- Snuff..... \$1.51 per pound
- Chewing tobacco..... \$0.5033 per pound
- Pipe tobacco..... \$2.8311 per pound
- Roll-your-own tobacco..... \$24.78 per pound

[Footnotes for JCX-15-09 are continued on the following page]

Footnotes for JCX-15-09 continued:

[3] Gain of less than \$500,000.

[4] Estimate provided by the Congressional Budget Office.

[5] The study will be completed no later than one year after the date of enactment.

[6] Increase by 0.5 percentage points the required corporate estimated tax payments factor for corporations with assets of at least \$1 billion for payments due in July, August, and September 2013.