



OHIO LEGISLATIVE SERVICE COMMISSION

Jean J. Botomogno

Fiscal Note & Local Impact Statement

Bill: H.B. 566 of the 132nd G.A.

Status: As Reported by House Ways and Means

Sponsor: Reps. Scherer and Cera

Local Impact Statement Procedure Required: No

Subject: Makes changes to cigarette minimum pricing law

The bill makes certain changes to the statutorily prescribed minimum sales prices of cigarettes in Ohio. Overall, the bill has no direct fiscal effect on the state or political subdivisions.

The bill generally prohibits a cigarette retail dealer to purchase cigarettes at a price that is less than the cost to the wholesaler, or procure a concession of any kind in connection with the purchase of cigarettes from a wholesaler. The bill also prohibits a cigarette wholesaler to advertise or sell cigarettes at less than its cost except under specified conditions and if allowed by the Department of Taxation,¹ or offer or give a concession of any kind in connection with the sale of cigarettes.

Furthermore, the bill proposes to enact section 1333.13 of the Revised Code regarding cigarette minimum pricing between wholesalers. When one wholesaler sells cigarettes to another wholesaler, the selling wholesaler is not required to include in the selling price its full cost, and the purchasing wholesaler will be considered the wholesaler upon resale to a cigarette retailer for purposes of cigarette law.

HB0566HS.docx/zg

¹ In cases where a wholesaler would like to deviate from prescribed minimum prices for a cash and carry sale to a retailer, the Tax Commissioner may require such wholesaler, when filing proof of different cost of doing business, to have an independent certified public accountant certify that the calculation of the wholesaler's cost of doing business has been made in accordance with generally accepted accounting principles.