



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 71
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 71's Bill Analysis](#)

Version: As Reported by House Ways and Means

Primary Sponsors: Reps. Scherer and Cera

Local Impact Statement Procedure Required: No

Jean J. Botomogno, Principal Economist

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, including any related concessions, is less than the cost to the wholesaler. The bill also prohibits a cigarette wholesaler to advertise or sell cigarettes at less than its cost or offer or give a concession in connection with the sale of cigarettes, except under specified conditions and if approved by the Tax Commissioner.¹

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.

HB0071HR/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, and the Tax Commissioner must approve the exception.