

THE TOBACCO TAX AND HEALTH PROTECTION ACT OF 1988

SECTION 1. Tobacco use is the single most preventable cause of death and disease in America. In addition to immense suffering and personal loss, tobacco related diseases create a staggering economic cost which all Californians have to pay.

To help prevent cancer, heart and lung disease and to reduce the economic costs of tobacco use in California, it is the intent of the people of California to increase the State Tax on tobacco products and achieve the following objectives:

- * reduce smoking and other tobacco use among children;
- * support medical research in cancer, heart and lung diseases;
- * reduce the financial burden on taxpayers for treating people suffering from smoking-related diseases.

SECTION 2. Article 2 (commencing with Section 30121) is added to chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, to read:

Article 2. Cigarette and Tobacco Products Surtax

30121. The Cigarette and Tobacco Products Surtax Account is hereby created in the State Treasury.

30127. Funds expended pursuant to this article shall be used only for the purposes expressed in this article, shall be in addition to any amounts usually appropriated through the annual budget process, and shall not be used to reduce or supplant those appropriations.

30128. The annual determination required of the Board of Equalization pursuant to subdivision (b) of Section 30123 shall be made based on the wholesale cost of tobacco products as of March 1 and shall be effective during the next fiscal year.

30129. This article shall take effect on and after 12:01 a.m. January 1, 1989.

30130. The tax imposed by Section 30123 shall be imposed on every cigarette and tobacco product in the possession or under the control of every dealer and distributor at 12:01 a.m. on January 1, 1989, pursuant to rules and regulations promulgated by the Board of Equalization.

30131. With the exception of Section 30126, this Article may be amended only by a two-thirds vote of the Legislature. Section 30126 may be amended only by a four-fifths vote of the legislature. All amendments to this article must be consistent with its purposes.

30132. If any section, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect.