

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-0724/1	Introduction Number SB-355
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Description
 raising the legal age for sale, purchase, and possession of cigarettes and nicotine and tobacco products, providing a legal age for sale, purchase, and possession of vapor products, and providing a penalty.

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input checked="" type="checkbox"/> No Local Government Costs	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
	2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By DOR/ Momodou Bah (608) 266-8133	Authorized Signature Ann DeGarmo (608) 266-7179	Date 6/2/2021
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Fiscal Estimate Narratives

DOR 6/2/2021

LRB Number	21-0724/1	Introduction Number	SB-355	Estimate Type	Original
Description raising the legal age for sale, purchase, and possession of cigarettes and nicotine and tobacco products, providing a legal age for sale, purchase, and possession of vapor products, and providing a penalty.					

Assumptions Used in Arriving at Fiscal Estimate

Currently, no person under the age of 18 may purchase, attempt to purchase, possess, or falsely represent his or her age for the purpose of receiving any cigarette, nicotine product, or tobacco product with certain limited exceptions. Current law also prohibits any person from purchasing cigarettes, tobacco products, or nicotine products on behalf of a person who is under the age of 18 and subjects that purchaser to a penalty.

Current law also prohibits a retailer, manufacturer, distributor, jobber, subjobber, or independent contractor or an employee or agent of any of these persons from selling or providing cigarettes or tobacco or nicotine products to an individual who is under the age of 18 and from providing cigarettes or tobacco or nicotine products to any person for free unless the cigarettes or products are provided in a place where persons under 18 years of age are generally not permitted to enter.

This bill changes these ages from 18 to 21. The bill similarly prohibits the purchase of vapor products by or on behalf of a person who is under the age of 21.

The federal minimum age for the sale or purchase of tobacco products was raised from 18 to 21 on December 20, 2019. Effective that date retailers were prohibited from selling any tobacco products (cigarettes, cigars and vapor e-cigarettes) to anyone under the age of 21. This new federal minimum age applies to all retail establishments and persons with no exceptions.

The Wisconsin Department of Health Services (DHS) launched a new campaign educating retailers that Federal law now requires tobacco purchasers to be 21 years old. Their website says that, "Wisconsin retailers are verifying age on tobacco purchases to make sure those buying are at least 21".

It appears that major retailers in Wisconsin are enforcing the federal age limit of 21 years. To the extent smaller retailers are not enforcing the federal minimum and changing the state requirements results in better compliance, this bill would result in a minimal decrease in tax revenues.

The department can absorb administrative costs related to this bill with existing resources.

Long-Range Fiscal Implications