	Red Bill # HB 37	
the KENTUCKY YOUTH ASSEMBLY Legislative Bill	Referred to Committee: House 2	
Authors: Jacob Herold, Erika Laws, L.J. Wrightington, Nic Ferrera	Action on the Bill	
School: South Oldham High	House	Senate
City: Crestwood	Passed Defeated	Passed Defeated

1 2	An act to create the Kentucky Pension Fund Survival Act
2 3 4	Be it enacted by the Youth Assembly of the Commonwealth of Kentucky
4 5 6 7	Section I: The tax on tobacco products sold within the Commonwealth of Kentucky will be raised from fifteen percent (15%) to twenty-five percent (25%) of the actual price for which the distributor sells the product.
8 9 10 11 12	Section II: "Tobacco products", as defined by the Kentucky Department of Revenue, are any smokeless tobacco products, smoking tobacco, chewing tobacco, and any kind or form of tobacco prepared in a manner suitable for chewing or smoking, or both, or any kind or form of tobacco that is suitable to be placed in an individual's oral cavity, but does not include cigarettes or reference cigarettes.
12 13 14 15 16 17	Section III: The proposed ten percent (10%) increase in taxation on tobacco products will generate four- hundred-ninety-nine-thousand, five-hundred-two dollars (\$499,502) in revenue annually*. This increase in revenue will provide a net revenue gain of one-hundred-ninety-nine-thousand, eight-hundred-one dollars (\$199,801).
18 19 20 21	Section IV: The proportionate tax rate of three cents (\$0.03) on each twenty (20) cigarettes [sixty cents (\$0.60) per pack] will be raised to a proportionate tax rate of fifteen cents (\$0.15) on each twenty (20) cigarettes [three dollars (\$3.00) per pack].
22 23 24	Section V: The proposed four-hundred percent (400%) increase in taxation on cigarettes will generate one- billion, two-hundred-seventy-five-million dollars (\$1B, 275M) in revenue annually**. This increase in revenue will provide a net gain of one-billion, twenty-million dollars (\$1B, 20M) for the Commonwealth of Kentucky.
25 26 27 28	Section VI: The proposed tax increase on the sale of cigarettes will remain in place for 2 years following the enactment of this bill.
29 30 31	Section VII: The Kentucky Energy and Environment budget will be reduced at a rate of ten-million dollars (\$10 million) annually, for 5 years following the enactment of this bill.
32 33 34	Section VIII: All funds acquired in accordance with the passage of this bill will be deposited into the Kentucky Pension Fund, held and distributed by Kentucky Retirement Systems.
35 36 37	Section IX: This bill will be declared inactive and will be removed from the Kentucky state budget entirely five (5) years after implementation and all budget alterations will be reset to fiscal year 2014 rates.
38 39	Section X: This bill will be enacted as part of the Kentucky state budget on July 1, 2015.
40 41	*Calculated using figures from Kentucky fiscal year 2011–2012 **Calculated using figures from Kentucky fiscal year 2011–2012