

March 10, 2003

H 378. CIGARETTE TAX INCREASE FOR PUBLIC SCHOOLS. *TO INCREASE THE CIGARETTE TAX FROM FIVE CENTS A PACK TO FORTY CENTS A PACK AND TO EARMARK THE RESULTING REVENUES FOR PUBLIC SCHOOL CLASS SIZE REDUCTION, THE MORE AT FOUR PROGRAM, TEACHER SALARIES, SCHOOL CONSTRUCTION, AND SCHOOL FUNDS TO LOW-WEALTH COUNTIES.* Amends GS 105-113.5 as title indicates, increasing cigarette tax from .0025 cents to 2 cents per cigarette, and adding new subsection (b) to require that amounts attributable to additional 1 cent of tax increase shall be credited to the Trust Fund for Public Schools. Adds new GS 143-15.3E which establishes Trust Fund to be managed by State Treasurer and requires that proceeds of Fund and investment earnings shall be used to supplement, not supplant, existing state funding for public schools. Act further requires that Trust Fund monies be allocated by the General Assembly and that each of the purposes outlined in title shall receive 20% of the Fund. Effective July 1, 2003.

Intro. by Miller.

Ref. to Finance	GS 105,143
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