Montana Department of Revenue

Dan Bucks
Director

Brian Schweitzer
Governor

SENATE TAXATION
EXHIBIT NO. 4
DATE 2-3-05
BILL NO. SB 292

Memorandum

Date: February 2, 2005

To: Senator Jim Elliot, Chair
Senate Taxation Committee

From: Neil Peterson

Subject: 2003 cigarette tax increase and the impact on cigarette consumption in Montana

At the recent Senate Taxation Committee hearing on Senate Bill 332, Senator Gillan requested information regarding the impact of the cigarette tax increase enacted in the 2003 Legislative session on cigarette consumption in Montana. The following table sets forth the volume of tax insignia sold for the last three full fiscal years:

Fiscal Year	Tax Insignia Sold	Percentage Reduction	Gross Dollar Value of Insignia
6/30/02	65,411,002		$10,768,790
6/30/03	64,967,391	.68%	$16,740,392
6/30/04	62,519,066	3.77%	$43,784,032

Thank you for the opportunity to provide information to the committee. Please do not hesitate to contact me should you need any additional information.

Sincerely,

Neil Peterson, Administrator
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