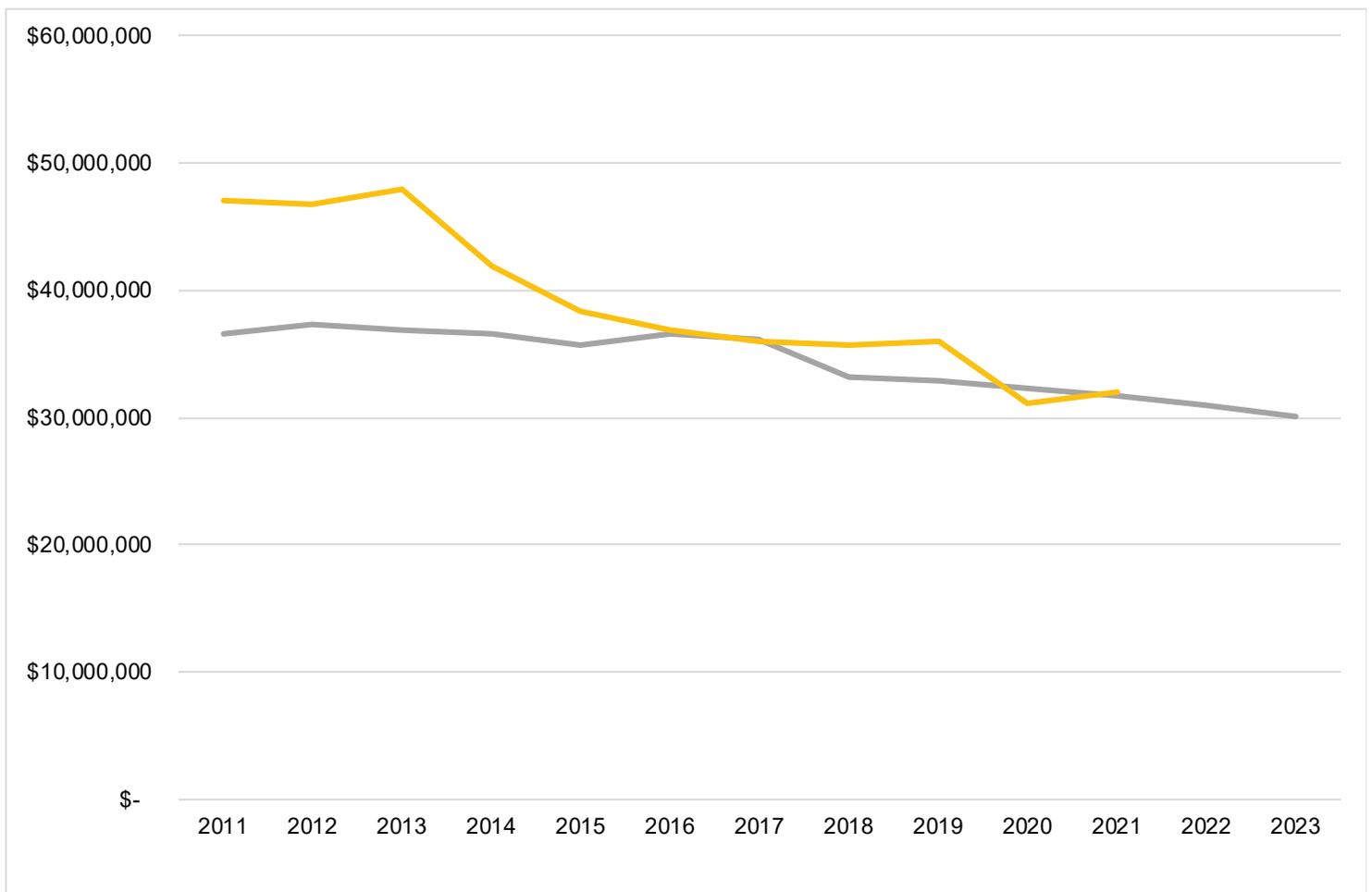


The Montana Tobacco Sales Tax Initiative (or I-149, 2004) established increased taxes on tobacco products. A portion of revenue from this tax increase is directed to the Tobacco Health and Medicaid Initiative Fund and is intended to fund health programs.

The Tobacco Health and Medicaid Initiative state special revenue fund has experienced **disbursements** (both expenditures and transfers-out) higher than **revenues** over the last decade.



In 2019, 89.3% of the expenditures from this fund paid for Medicaid programs; the remainder for non-Medicaid health programs like Big Sky Rx. This fund has historically carried a significant cushion (\$23.4 million as recently as 2013) but sustained expenditures and declining tobacco revenues have eliminated this cushion. As a result, the 2019 Legislature appropriated \$16.1 million general fund over the 2021 biennium to support programs that have traditionally been funded by this tobacco-dependent fund.