

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 1248 (Proposed Committee Substitute)  
**SHORT TITLE:** Exempt Tobacco Assistance Payments  
**SPONSOR(S):** Rep. Baker

**FISCAL IMPACT**

Yes ( )      No ( )      No Estimate Available (X)

FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02   FY 2002-03

**REVENUES** (see ASSUMPTIONS AND METHODOLOGY)

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Department of Revenue

**EFFECTIVE DATE:** The act is effective for taxable years beginning on or after January 1, 1998.

**BILL SUMMARY:** The act exempts from state corporate and individual income tax the compensation received by tobacco allotment holders, tobacco workers, tobacco warehouse owners, and tobacco farmers for losses resulting from federal legislation.

**ASSUMPTIONS AND METHODOLOGY:** It is impossible to assess the fiscal impact of HB 1248 PCS without the passage of federal legislation on the tobacco settlement issue. As of June 22, 1998, there were 41 bills in the 105<sup>th</sup> U. S. Congress dealing with the June 1997 tobacco settlement between U.S. cigarette manufacturers and 40 states' attorney generals. Six of these bills, including Senator McCain's SB 1415, provide market transition assistance to tobacco quota holders, growers, workers, and producers. SB 1415 was debated for weeks by the U.S. Senate before it was returned to the Senate Committee on Commerce, Science and Transport on June 17. At this point, no federal legislation dealing with compensation to the tobacco producing community is imminent.

**FISCAL RESEARCH DIVISION (733-4910)**

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**Official**

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