**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑21‑635 SO AS TO IMPOSE AN ADDITIONAL TAX OF 1.5 CENTS PER CIGARETTE; TO ESTABLISH THE SMOKING CESSATION AND HEALTH CARE FUND INTO WHICH MUST BE DEPOSITED FIFTY PERCENT OF THE REVENUE GENERATED FROM THE IMPOSITION OF THIS TAX AND WHICH MUST BE ADMINISTERED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR REIMBURSEMENT OF AN INDIVIDUAL’S PERSONAL EXPENSES RELATED TO SMOKING CESSATION AND SMOKING RELATED HEALTH CARE DEVICES, EQUIPMENT, AND PROGRAMS; AND TO PROVIDE THAT THE REMAINING REVENUE GENERATED BY THIS TAX MUST BE CREDITED TO THE GENERAL FUND AND APPROPRIATED ANNUALLY BY THE GENERAL ASSEMBLY TO ADDRESS HEALTH NEEDS OF SOUTH CAROLINIANS, INCLUDING USING SUCH FUNDS FOR MEDICAID MATCHING FUNDS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 5, Chapter 21, Title 12 of the 1976 Code is amended by adding:

“Section 12‑21‑635. (A) In addition to the tax imposed pursuant to Section 12‑21‑620(1), there is imposed an additional license tax equal to 1.5 cents on each cigarette made of tobacco or any substitute for tobacco.

(B) The tax imposed pursuant to subsection (A) must be reported, paid, collected, and enforced in the same manner as the tax imposed pursuant to Section 12‑21‑620(1).

(C)(1) There is created in the state treasury, separate and distinct from the general fund of the State, the Smoking Cessation and Health Care Fund. Fifty percent of the revenue generated by the tax imposed pursuant to this section must be credited to the fund, and monies in the fund must be administered by the Department of Health and Human Services to reimburse one hundred percent of personal funds an individual has expended, on the written prescription of a physician or other health care provider authorized to prescribe, for smoking cessation and smoking related health care devices, equipment, and programs approved by the department. The remaining revenue generated by the tax imposed pursuant to this section must be credited to the general fund, and in the annual appropriations act, the General Assembly shall appropriate these monies to address health needs of South Carolinians, which may include using these funds as Medicaid matching funds.

(2) The revenue generated by this section and credited the Smoking Cessation and Health Care Fund are exempt from budgetary cuts or reductions caused by the lack of general fund revenues. Earnings on investments of monies in this fund must be credited to the fund and used for the same purposes as other monies in the fund. Any monies in this fund not expended during a fiscal year must be carried forward to the succeeding fiscal year for the fund and used for the same purposes as other monies in the fund.”

SECTION 2. This act takes effect September 1, 2009.

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