

THE TOBACCO INSTITUTE

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MEMORANDUM

TO: Roger Mozingo
FROM: John Bankhead
RE: Report Number Three on South Carolina
Cigarette Tax Increase Legislation

On January 11, South Carolina State Representative John Rogers of Marlboro County offered a motion on the floor of the House to refer H-2050, which proposed to increase the cigarette tax from 7¢ to 9¢, to the House Agriculture Committee for the purpose of studying the impact this legislation would have on tobacco farmers.

Two motions were offered by Representative Robert Woods, the sponsor of the legislation, to table Roger's motion, but both were defeated. Roger's motion then passed by a vote of 62 yeas to 33 nays.

During my meeting with House Agricultural Committee Chairman "Bubba" Snow on the morning of January 12, he indicated that he would hold hearings on the economic impact of the legislation on the tobacco industry. He was not sure when he would schedule the hearings, but promised to keep us informed of his plans.

Chairman Snow stated that there were parliamentary maneuvers which supporters of the bill could use to bring the bill out of the committee and back on the floor for consideration. This would require passage of another motion which could be offered during the House's daily "motion period". A simple majority of votes is all that is needed to bring the bill out of the Agriculture Committee.

House Speaker Raymond Schwartz has control over the "motion period" and will be a key in any effort to have the tax bill reported to the floor.

In addition, Representative Woods was quoted in The State newspaper that he may offer an amendment to the general appropriations bill to increase the cigarette tax.

While this tax bill for all practical purposes is dead, the tax increase issue is not.

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I have attached for your information a copy of each of the following:

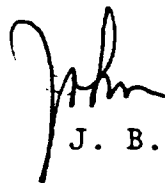
Recorded vote on the motion to refer the tax bill to the House Agriculture Committee.

Article appearing in The State on this action.

Article in The State on Agriculture Commissioner Les Tindal's opposition to the cigarette tax increase.

Copy of a letter from Harry Bell, President of the South Carolina Farm Bureau, which was sent to each member of the House of Representatives.

Copy of the legislative report sent by the Farm Bureau to their 86,000 members urging opposition to the tax increase.


J. B.

Enclosures

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