



TAX EARMARKING FOR PREVENTION PROGRAMS

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ISSUE

Do any states earmark revenue from specific taxes, including marijuana taxes, to fund various types of prevention programs?

TAX EARMARKS FOR PREVENTION

Tax earmarking is the practice of dedicating tax revenue to a specific program or purpose, either by statute or constitution. As Table 1 shows, at least 13 states earmark all or a portion of the revenue from 19 specific taxes to fund various types of prevention programs. We compiled this list based on a [2008 study](#) of tax earmarks by the National Conference of State Legislatures (NCSL), the most recent and comprehensive study of the practice available, and a search of state marijuana tax statutes.

The most common earmarks are for public health-related prevention programs, including substance abuse (Alaska, Montana, Oregon, and Washington), tobacco use (Arizona and Michigan), and disease (California and Colorado). The other states earmark tax revenue to fund fire prevention (Illinois, Maine, and New Mexico), drunk driving prevention (West Virginia), pollution prevention (Alaska, Connecticut, and Washington), or compulsive gambling prevention (Michigan).

Table 1: State Tax Earmarks for Prevention Programs

State	Tax	Distribution
Alaska	Alcohol tax	Alcohol and other drug abuse treatment and prevention treatment (Alaska Stat. Ann. § 43.60.050)
	Oil and gas production tax	Oil and hazardous substance release prevention and response (Alaska Stat. Ann. § 43.55.211)
Arizona	Cigarettes, cigars, and tobacco products tax	Tobacco use prevention and reduction (Ariz. Rev. Stat. Ann. § 36-772)



Table 1 (continued)

State	Tax	Distribution
California	Childhood lead poisoning prevention fee (statutorily defined as a tax)	Lead poisoning prevention, evaluation, and screening program for children at risk of lead poisoning (Cal. Health & Safety Code § 105305)
	Occupational lead poisoning prevention fee (statutorily defined as a tax)	Occupational lead poisoning prevention program (Cal. Health & Safety Code § 105190)
Colorado	Cigarette tax	Prevention and treatment of cancer, cardiovascular, and pulmonary disease (Colo. Rev. Stat. Ann. § 24-22-117)
	Tobacco products tax	Prevention and treatment of cancer, cardiovascular, and pulmonary disease (Colo. Rev. Stat. Ann. § 24-22-117)
Connecticut	Dry cleaning gross receipts tax	Grants to dry cleaning services for pollution prevention measures (CGS § 12-263m)
Illinois	Fire marshal tax (levied on fire insurance companies)	Fire prevention and training (425 Ill. Comp. Stat. Ann. 25/12 & 25/13.1)
Maine	Fire investigation and prevention tax (levied on fire insurance companies and associations)	Fire prevention, investigation, education and training programs (Me. Rev. Stat. tit. 25, § 2399)
Michigan	Horse race wagering tax	Racing programs and compulsive gaming prevention (Mich. Comp. Laws Ann. § 432.253)
	Tobacco products tax	Smoking prevention and other public health prevention programs (Mich. Comp. Laws Ann. § 205.432)
Montana	Beer, liquor, and wine tax	Alcoholism treatment, rehabilitation, and prevention (Mont. Code Ann. § 53-24-108)
New Mexico	Insurance premium tax	Fire prevention, education, investigation, and training (N.M. Stat. Ann. § 59A-6-5)
Oregon	Beer and wine privilege tax	Alcoholism and drug use prevention, intervention, and treatment programs (Or. Rev. Stat. Ann. § 471.810)
	Marijuana tax	Alcohol and drug abuse prevention, early intervention, and treatment (Or. Rev. Stat. Ann. § 475B.760)

Table 1 (continued)

State	Tax	Distribution
Washington	Oil spill administration tax (levied on petroleum product owners upon delivery to a terminal in the state)	Oil spill prevention, response, and restoration programs (Wash. Rev. Code Ann. § 82.23B.020)
	Marijuana tax	Substance abuse prevention and reduction programs for middle and high school students (Wash. Rev. Code Ann. § 69.50.540)
		Marijuana use prevention and reduction programs by local health department or local community agencies (Wash. Rev. Code Ann. § 69.50.540)
West Virginia	Alcoholic beverage tax	Drunk driving prevention programs (W. Va. Code Ann. § 60-7-11)

Source: NCSL, [Earmarking State Taxes](#), September 2008 and state statutes

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