

STATE OF NEW YORK

1107

2019-2020 Regular Sessions

IN ASSEMBLY

January 14, 2019

Introduced by M. of A. L. ROSENTHAL -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to establishing an excise tax on certain prescription opioids; and to amend the state finance law, in relation to establishing an opiate addiction trust fund for the purpose of funding opiate addiction prevention and treatment programs

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act shall be known and may be cited as the "budgeting
2 for opioid addiction treatment in New York act".

3 § 2. The tax law is amended by adding a new article 20-C to read as
4 follows:

ARTICLE 20-C

EXCISE TAX ON PRESCRIPTION OPIOIDS

Section 495. Definitions.

496. Administration of prescription opioid tax.

8 § 495. Definitions. For the purposes of this article, the following
9 terms shall have the following meanings:

10 1. "Taxable active opioid" means any opiate having an addiction-form-
11 ing or addiction-sustaining liability similar to morphine or being capa-
12 ble of conversion into a drug having an addiction-forming or addiction-
13 sustaining liability. It does not include a prescription drug that is
14 used exclusively for the treatment of opioid addiction as part of a
15 medically assisted treatment effort. Nor does it include any
16 prescription drug that is used exclusively for certain cancer and
17 hospice patients.

18 2. "Certain cancer and hospice patients" means a patient for whom any
19 taxable active opioid is prescribed to treat pain relating to cancer or
20 cancer treatment or a patient participating in hospice care.

21 3. "Covered entity" means any manufacturer, producer, or importer of a
22 substance described in subdivision one of this section.
23

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 § 496. Administration of prescription opioid tax. 1. There is hereby
2 imposed an excise tax on the gross receipts from the sale of taxable
3 active opioids, to be paid by the covered entity, at the rate of one
4 cent per milligram. The tax imposed by this article shall be charged
5 against and be paid by the covered entity and shall not be added as a
6 separate charge or line item on any sales slip, invoice, receipt or
7 other statement or memorandum of the price given to the retail customer.

8 2. The commissioner may make, adopt and amend rules, regulations,
9 procedures and forms necessary for the proper administration of this
10 article.

11 3. All taxes, interest and penalties collected or received by the
12 commissioner under this article shall be deposited and disposed of
13 pursuant to the provisions of the opiate addiction trust fund estab-
14 lished by section eighty-nine-j of the state finance law.

15 § 3. The state finance law is amended by adding a new section 89-j to
16 read as follows:

17 § 89-j. Opiate addiction trust fund. 1. There is hereby established in
18 the joint custody of the state comptroller and the commissioner of taxa-
19 tion and finance a special fund to be known as the "opiate addiction
20 trust fund".

21 2. The opiate addiction trust fund shall consist of all moneys
22 required to be deposited in the opiate addiction trust fund pursuant to
23 the provisions of section four hundred ninety-six of the tax law.

24 3. The moneys in the opiate addiction trust fund shall be kept sepa-
25 rate and shall not be commingled with any other moneys in the custody of
26 the commissioner of taxation and finance and the state comptroller.

27 4. The moneys of the opiate addiction trust fund shall be allocated
28 upon a certificate of approval of availability by the director of the
29 budget as follows: (a) establishing new addiction treatment facilities,
30 residential and outpatient, including covering capital costs; (b) estab-
31 lishing sober living facilities; (c) recruiting and increasing
32 reimbursement for certified mental health providers providing substance
33 abuse treatment in medically underserved communities or communities with
34 high rates of prescription drug abuse; (d) expanding access to long-
35 term, residential treatment programs for opioid addicts, including thir-
36 ty-day, sixty-day, and ninety-day programs; (e) establishing or operat-
37 ing support programs that offer employer services, housing, and other
38 support services to help recovering addicts transition back into socie-
39 ty; (f) establishing or operating housing for children whose parents are
40 participating in substance abuse treatment programs, including capital
41 costs; (g) establishing or operating facilities to provide care for
42 babies born with neonatal abstinence syndrome, including capital costs;
43 and (h) other treatment programs, as the commissioner of health deter-
44 mines appropriate.

45 § 4. This act shall take effect immediately.