
By: Senators Trotter, Young, Pinsky, McFadden, Lawlah, and Ruben

Introduced and read first time: January 31, 1996

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Tobacco Tax**

3 FOR the purpose of altering the tobacco tax rate; altering a certain discount provision
4 under the tobacco tax; and generally relating to an increase in the State tobacco tax
5 rate.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 12-105 and 12-303(b)
9 Annotated Code of Maryland
10 (1988 Volume and 1995 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Tax - General**

14 12-105.

15 The tobacco tax rate is:

16 (1) [18] 30.5 cents for each package of 10 or fewer cigarettes;

17 (2) [36] 61 cents for each package of at least 11 and not more than 20
18 cigarettes;

19 (3) [1.8] 3.05 cents for each cigarette in a package of more than 20
20 cigarettes; and

21 (4) [1.8] 3.05 cents for each cigarette in a package of free sample cigarettes.

22 12-303.

23 (b) The Comptroller shall allow a licensed wholesaler a discount of [1.36%]
24 0.81% of the purchase price of tax stamps.

25 SECTION 2. AND BE IT FURTHER ENACTED, That all cigarettes used,
26 possessed, or held in the State of Maryland by any person for sale or use in the State of
27 Maryland shall be subject to the full tobacco tax imposed by this Act. This requirement
28 includes: (1) cigarettes in vending machines or other mechanical dispensers; and (2)

SENATE BILL 390

2

1 cigarettes (generally referred to as "floor stock") in packages which already bear stamps
2 issued by the Comptroller under the State Tobacco Tax Act but for an amount less than
3 the full tax imposed of 30.5 cents for each 10 cigarettes or fractionalpart thereof; all
4 cigarettes held for sale by any person in the State of Maryland on and after July 1, 1996
5 which bear a tax stamp issued by the Comptroller of a value less than 61 cents for each
6 pack of 20 cigarettes must be stamped with the additional stamps necessary to make the
7 aggregate value equal to 61 cents. In lieu of the additional stamps necessary to make the
8 aggregate tax value equal to 61 cents, the Comptroller may provide an alternate method
9 of collecting the additional tax. The revenue attributable to this requirement shall be
10 remitted to the State Comptroller's Office by September 30, 1996. Except as provided
11 above, on and after July 1, 1996, no Maryland stamp shall be used except the stamp issued
12 by the Comptroller to evidence the tobacco tax of 61 cents imposed by this Act.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 1996.