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SB 390/96 - B&T

1997 Regular Session
7r1406
CF 7r1782

By: The President (Administration) and Senators Dorman, Kelley, Pinsky, Ruben, Van Hollen, Frosh, Teitelbaum, Trotter, and Forehand

Introduced and read first time: January 17, 1997

Assigned to: Budget and Taxation and Judicial Proceedings

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; providing for the effective date of this Act; and generally
5 relating to an increase in the State tobacco tax 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 1996 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] 36 cents for each package of 10 or fewer cigarettes;

17 (2) [36] 72 cents for each package of at least 11 and not more than 20
18 cigarettes;

19 (3) [1.8] 3.6 cents for each cigarette in a package of more than 20
20 cigarettes; and

21 (4) [1.8] 3.6 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 0.68% 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

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1 includes: (1) cigarettes in vending machines or other mechanical dispensers; and (2)
2 cigarettes (generally referred to as "floor stock") in packages which already bear stamps
3 issued by the Comptroller under the State Tobacco Tax Act but for an amount less than
4 the full tax imposed of 36 cents for each 10 cigarettes or fractional part thereof; all
5 cigarettes held for sale by any person in the State of Maryland on and after June 1, 1997
6 which bear a tax stamp issued by the Comptroller of a value less than 72 cents for each
7 pack of 20 cigarettes must be stamped with the additional stamps necessary to make the
8 aggregate value equal to 72 cents. In lieu of the additional stamps necessary to make the
9 aggregate tax value equal to 72 cents, the Comptroller may provide an alternate method
10 of collecting the additional tax. The revenue attributable to this requirement shall be
11 remitted to the State Comptroller's Office by September 30, 1997. Except as provided
12 above, on and after June 1, 1997, no Maryland stamp shall be used except the stamp
13 issued by the Comptroller to evidence the tobacco tax of 72 cents imposed by this Act.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 June 1, 1997.