

HOUSE BILL 190

Unofficial Copy
Q7

1999 Regular Session
(91r0204)

ENROLLED BILL

-- *Ways and Means/Budget and Taxation* --

Introduced by **The Speaker (Administration) and Delegates Hixson, Frush, Marriott, R. Baker, Barkley, Benson, Bobo, Bronrott, Brown, Burns, Carlson, Conroy, Cryor, D. Davis, Dembrow, Dobson, Doory, Dypski, Finifter, Franchot, Goldwater, Grosfeld, Harrison, Healey, Hecht, Heller, Hill, Howard, Hubbard, Hurson, A. Jones, V. Jones, Kirk, Kopp, Krysiak, Mandel, McIntosh, Menes, Moe, Montague, Morhaim, Nathan-Pulliam, Paige, Patterson, Pendergrass, Petzold, Phillips, Pitkin, Sher, Shriver, Stern, Swain, Turner, Valderrama, and ~~Zirkin~~ Zirkin, and D'Amato**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Tobacco Tax**

3 FOR the purpose of altering the tobacco tax rate for cigarettes; ~~providing for certain~~
4 ~~increases in the tobacco tax rate for cigarettes~~; altering a certain discount
5 provision under the tobacco tax; imposing the tobacco tax on certain tobacco
6 products other than cigarettes; setting the rate of the tobacco tax for other
7 tobacco products; defining certain terms; altering certain definitions under the
8 tobacco tax law; requiring the Comptroller to establish by regulation a system of
9 administering, collecting, and enforcing the tobacco tax on other tobacco

1 products; making other tobacco products subject to certain enforcement
 2 provisions applicable to cigarettes; prohibiting certain acts relating to other
 3 tobacco products; imposing certain requirements relating to certain
 4 transportation of other tobacco products; ~~providing for the termination of certain~~
 5 ~~provisions of this Act~~; providing for a delayed effective date for certain
 6 provisions of this Act; providing for the application of this Act; requiring the
 7 Governor to include certain appropriations for certain purposes in the State
 8 budget for certain fiscal years; making this Act contingent on the taking effect of
 9 another Act; requiring the Governor to make certain appropriations in the
 10 ~~budget for certain fiscal years~~; and generally relating to the taxation of
 11 cigarettes and other tobacco products.

12 BY repealing and reenacting, with amendments,
 13 Article - Tax - General
 14 Section 12-105 and 12-303(b)
 15 Annotated Code of Maryland
 16 (1997 Replacement Volume and 1998 Supplement)

17 BY repealing and reenacting, with amendments,
 18 Article - Tax - General
 19 Section 12-105 ~~and 12-303(b)~~
 20 Annotated Code of Maryland
 21 (1997 Replacement Volume and 1998 Supplement)
 22 (As enacted by Section 1 of this Act)

23 BY repealing and reenacting, without amendments,
 24 Article - Tax - General
 25 Section 12-101(a)
 26 Annotated Code of Maryland
 27 (1997 Replacement Volume and 1998 Supplement)

28 BY adding to
 29 Article - Tax - General
 30 Section 12-101(b-1) and (e-1), 12-302(c), and 12-306
 31 Annotated Code of Maryland
 32 (1997 Replacement Volume and 1998 Supplement)

33 BY repealing and reenacting, with amendments,
 34 Article - Tax - General
 35 Section 12-101(f), 12-102, 12-103, 12-104, 12-202, 12-203, 13-408, 13-834(c)
 36 and (e), 13-835(a), 13-836(a)(1) and (b)(2), 13-837, 13-839, 13-841(b),
 37 13-842, 13-1014(a), and 13-1015
 38 Annotated Code of Maryland
 39 (1997 Replacement Volume and 1998 Supplement)

1 BY repealing and reenacting, with amendments,
 2 Article - Business Regulation
 3 Section 16-219
 4 Annotated Code of Maryland
 5 (1998 Replacement Volume)

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

8 **Article - Tax - General**

9 12-105.

10 ~~(A)~~ The tobacco tax rate FOR CIGARETTES is:

11 (1) [18] ~~43~~ ~~36~~ 33 cents for each package of 10 or fewer cigarettes;

12 (2) [36] ~~86~~ ~~72~~ 66 cents for each package of at least 11 and not more than
 13 20 cigarettes;

14 (3) [1.8] ~~4.3~~ ~~3.6~~ 3.3 cents for each cigarette in a package of more than 20
 15 cigarettes; and

16 (4) [1.8] ~~4.3~~ ~~3.6~~ 3.3 cents for each cigarette in a package of free sample
 17 cigarettes.

18 ~~(B) THE TOBACCO TAX RATE FOR OTHER TOBACCO PRODUCTS IS 25% OF THE~~
 19 ~~WHOLESALE PRICE OF THE OTHER TOBACCO PRODUCTS.~~

20 12-303.

21 (b) The Comptroller shall allow a licensed wholesaler a discount of [1.36%]
 22 ~~0.57%~~ ~~0.68%~~ ~~0.8%~~ 0.82% of the purchase price of tax stamps.

23 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 24 read as follows:

25 **Article - Tax - General**

26 12-105.

27 ~~(a)~~ (A) The tobacco tax rate for cigarettes is:

28 (1) ~~[43]~~ ~~68~~ ~~36~~ 33 cents for each package of 10 or fewer cigarettes;

29 (2) ~~[86 cents]~~ ~~\$1.36~~ ~~72~~ 66 cents for each package of at least 11 and not
 30 more than 20 cigarettes;

31 (3) ~~[4.3]~~ ~~6.8~~ ~~3.6~~ 3.3 cents for each cigarette in a package of more than 20
 32 cigarettes; and

1 (4) ~~[4.3] 6.8 3.6 3.3~~ cents for each cigarette in a package of free sample
2 cigarettes.

3 (b) ~~The tobacco tax rate for other tobacco products is 25% of the wholesale~~
4 ~~price of the other tobacco products.~~

5 (B) THE TOBACCO TAX RATE FOR OTHER TOBACCO PRODUCTS IS 15% OF THE
6 WHOLESALE PRICE OF THE TOBACCO PRODUCTS.

7 ~~12-303.~~

8 (b) ~~The Comptroller shall allow a licensed wholesaler a discount of [0.57%]~~
9 ~~0.36% of the purchase price of tax stamps.~~

10 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
11 read as follows:

12 **Article - Tax - General**

13 12-101.

14 (a) In this title the following words have the meanings indicated.

15 (B-1) "OTHER TOBACCO PRODUCT" MEANS:

16 (1) ANY CIGAR OR ROLL FOR SMOKING, OTHER THAN A CIGARETTE,
17 MADE IN WHOLE OR IN PART OF TOBACCO; OR

18 (2) ANY OTHER TOBACCO OR PRODUCT MADE PRIMARILY FROM
19 TOBACCO, OTHER THAN A CIGARETTE, THAT IS INTENDED FOR CONSUMPTION BY
20 SMOKING OR CHEWING OR AS SNUFF.

21 (E-1) "WHOLESALE PRICE" MEANS THE PRICE FOR WHICH A WHOLESALER
22 ~~SELLS~~ BUYS OTHER TOBACCO PRODUCTS ~~TO A RETAILER~~, EXCLUSIVE OF ANY
23 DISCOUNT, TRADE ALLOWANCE, REBATE, OR OTHER REDUCTION.

24 (f) "Wholesaler" means, unless the context requires otherwise[,]:

25 (1) a person who acts as a wholesaler as defined in § 16-201 of the
26 Business Regulation Article; OR

27 (2) A PERSON WHO:

28 (I) HOLDS OTHER TOBACCO PRODUCTS FOR SALE TO ANOTHER
29 PERSON FOR RESALE; OR

30 (II) SELLS OTHER TOBACCO PRODUCTS TO ANOTHER PERSON FOR
31 RESALE.

1 12-102.

2 (a) Except as provided in § 12-104 of this title, a tax is imposed on cigarettes
3 AND OTHER TOBACCO PRODUCTS in the State.

4 (b) A county, municipal corporation, special taxing district, or other political
5 subdivision of the State may not impose a tax on cigarettes.

6 12-103.

7 (a) A rebuttable presumption exists that any cigarette OR OTHER TOBACCO
8 PRODUCT in the State is subject to the tobacco tax.

9 (b) Cigarettes OR OTHER TOBACCO PRODUCTS are contraband [cigarettes]
10 TOBACCO PRODUCTS if they:

11 (1) are possessed or sold in the State in a manner that is not authorized
12 under this title or under Title 16 of the Business Regulation Article; or

13 (2) are transported by vehicle in the State by a person who does not
14 have, in the vehicle, the records required by § 16-219 of the Business Regulation
15 Article for the transportation of cigarettes OR OTHER TOBACCO PRODUCTS.

16 (c) A person who possesses cigarettes OR OTHER TOBACCO PRODUCTS has the
17 burden of proving that the cigarettes OR OTHER TOBACCO PRODUCTS are not subject
18 to the tobacco tax.

19 12-104.

20 (a) "Consumer" means a person who possesses cigarettes OR OTHER TOBACCO
21 PRODUCTS for a purpose other than selling or transporting the cigarettes OR OTHER
22 TOBACCO PRODUCTS.

23 (b) The tobacco tax does not apply to:

24 (1) cigarettes that[:

25 (1)] a licensed wholesaler under Title 16 of the Business Regulation
26 Article is holding for sale outside the State or to a United States armed forces
27 exchange or commissary;

28 (2) OTHER TOBACCO PRODUCTS THAT A WHOLESALER IS HOLDING FOR
29 SALE OUTSIDE THE STATE OR TO A UNITED STATES ARMED FORCES EXCHANGE OR
30 COMMISSARY; OR

31 (3) CIGARETTES OR OTHER TOBACCO PRODUCTS THAT:

32 [(2)] (I) a consumer brings into the State:

33 [(i)] 1. if the quantity brought from another state does not exceed:

1 [1.] A. for a nonresident consumer traveling through this
2 State, OTHER TOBACCO PRODUCTS HAVING A RETAIL VALUE OF \$25 OR 1 carton OF
3 CIGARETTES; or

4 [2.] B. for any other consumer, OTHER TOBACCO PRODUCTS
5 HAVING A RETAIL VALUE OF \$5 OR 2 packages OF CIGARETTES; or

6 [(ii)] 2. if the quantity brought from a United States armed forces
7 installation or reservation does not exceed:

8 [1.] A. for a consumer who is a member of an armed forces
9 unit or who is entitled by law to make a purchase at an armed forces exchange,
10 OTHER TOBACCO PRODUCTS HAVING A RETAIL VALUE OF \$50 OR 2 cartons OF
11 CIGARETTES; or

12 [2.] B. for any other consumer, OTHER TOBACCO PRODUCTS
13 HAVING A RETAIL VALUE OF \$5 OR 2 packages OF CIGARETTES that were bought at an
14 armed forces exchange or commissary;

15 [(3)] (II) a person is transporting by vehicle in the State if the person
16 has, in the vehicle, the records required by § 16-219 of the Business Regulation
17 Article for the transportation of cigarettes OR OTHER TOBACCO PRODUCTS; or

18 [(4)] (III) are held in storage in a licensed storage warehouse.

19 12-202.

20 (a) A wholesaler shall complete and file with the Comptroller a tobacco tax
21 return:

22 (1) FOR CIGARETTES:

23 (I) on or before the 21st day of the month that follows the month in
24 which the wholesaler has the first possession, in the State, of unstamped cigarettes
25 for which tax stamps are required; and

26 [(2)] (II) if the Comptroller so specifies, by regulation, on other dates for
27 each month in which the wholesaler does not have the first possession of any
28 unstamped cigarettes in the State; AND

29 (2) FOR OTHER TOBACCO PRODUCTS, ON THE DATES AND FOR THE
30 PERIODS THAT THE COMPTROLLER SPECIFIES BY REGULATION.

31 (b) Each return shall state the quantity of cigarettes OR THE WHOLESALER
32 PRICE OF OTHER TOBACCO PRODUCTS sold during the period that the return covers.
33 12-203.

34 (a) Each wholesaler shall:

35 (1) keep an invoice for each purchase of tax stamps;

1 (2) maintain a daily record of the tax stamps affixed to cigarette
2 packages; and

3 (3) maintain a complete and accurate record of each sale of cigarettes OR
4 OTHER TOBACCO PRODUCTS for resale outside of the State.

5 (b) A wholesaler shall:

6 (1) keep the records required under subsection (a) of this section for a
7 period of 6 years or for a shorter period that the Comptroller authorizes; and

8 (2) allow the Comptroller to examine the records.

9 12-302.

10 (C) (1) THE TOBACCO TAX ON OTHER TOBACCO PRODUCTS SHALL BE PAID
11 BY THE WHOLESALER WHO SELLS THE OTHER TOBACCO PRODUCTS TO A RETAILER
12 OR CONSUMER IN THE STATE.

13 (2) IF A RETAILER OR CONSUMER POSSESSES OTHER TOBACCO
14 PRODUCTS IN THE STATE ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID, THE
15 RETAILER OR CONSUMER SHALL PAY THE TOBACCO TAX ON THOSE OTHER TOBACCO
16 PRODUCTS.

17 12-306.

18 (A) THE COMPTROLLER SHALL ESTABLISH, BY REGULATION, A SYSTEM OF
19 ADMINISTERING, COLLECTING, AND ENFORCING THE TOBACCO TAX ON OTHER
20 TOBACCO PRODUCTS.

21 (B) REGULATIONS ADOPTED UNDER THIS SECTION MAY INCLUDE:

22 (1) SELF-ASSESSMENT, FILING OF RETURNS, AND MAINTENANCE AND
23 RETENTION OF RECORDS BY WHOLESALERS OR RETAILERS;

24 (2) PAYMENT OF THE TAX BY:

25 (I) A WHOLESALER WHO SELLS OTHER TOBACCO PRODUCTS TO A
26 RETAILER OR CONSUMER IN THE STATE; OR

27 (II) A RETAILER OR CONSUMER WHO POSSESSES OTHER TOBACCO
28 PRODUCTS IN THE STATE ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID; AND

29 (3) ANY OTHER PROVISION THAT THE COMPTROLLER CONSIDERS
30 NECESSARY TO EFFICIENTLY AND ECONOMICALLY ADMINISTER, COLLECT, AND
31 ENFORCE THE TAX.

1 13-408.

2 (a) If the Comptroller determines that a person has failed to keep the records
3 of out-of-state cigarette OR OTHER TOBACCO PRODUCT sales required under §
4 12-203 of this article, the Comptroller shall:

5 (1) compute the tobacco tax as if the cigarettes OR OTHER TOBACCO
6 PRODUCTS were sold in the State; and

7 (2) assess the tax due.

8 (b) If the Comptroller determines that a person has possessed or transported
9 cigarettes OR OTHER TOBACCO PRODUCTS on which the tobacco tax has not been paid
10 as required under Title 12 of this article, the Comptroller shall assess the tobacco tax
11 due.

12 13-834.

13 (c) "Contraband [cigarettes] TOBACCO PRODUCTS" means cigarettes OR
14 OTHER TOBACCO PRODUCTS, as defined in § 12-101 of this article:

15 (1) on which tobacco tax is not paid; and

16 (2) that are delivered, possessed, sold, or transported in the State in a
17 manner not authorized under Title 12 of this article or Title 16 of the Business
18 Regulation Article.

19 (e) "Conveyance" means:

20 (1) an aircraft, vehicle, or vessel used to transport alcoholic beverages
21 [or], cigarettes, OR OTHER TOBACCO PRODUCTS; and

22 (2) a tank car, vehicle, or vessel that is used to transport motor fuel and
23 that, exclusive of any tank used for its own propulsion, has a capacity exceeding 50
24 gallons.

25 13-835.

26 (a) The Comptroller or a peace officer of the State may:

27 (1) seize contraband alcoholic beverages or contraband [cigarettes]
28 TOBACCO PRODUCTS in the State without a warrant;

29 (2) stop and search a conveyance in the State if the Comptroller or officer
30 knows or has reason to suspect that the conveyance is being used to transport IN THE
31 STATE CONTRABAND TOBACCO PRODUCTS HAVING A RETAIL VALUE OF \$100 OR
32 MORE OR contraband alcoholic beverages [or 5 or more cartons of contraband
33 cigarettes in the State]; and

34 (3) seize a conveyance being used in the State to transport contraband
35 alcoholic beverages or contraband [cigarettes] TOBACCO PRODUCTS.

1 13-836.

2 (a) (1) If contraband alcoholic beverages or contraband [cigarettes]
3 TOBACCO PRODUCTS are seized:

4 (i) the Comptroller or police officer shall give a notice of seizure to
5 the person from whom the property is seized at the time of the seizure; and

6 (ii) The Comptroller shall:

7 1. where possible, give a notice of seizure to the registered
8 owner of a seized conveyance; and

9 2. publish a notice of seizure of the conveyance in a
10 newspaper of general circulation in the county where the seizure occurred.

11 (b) (2) A police officer who seizes any contraband [cigarettes] TOBACCO
12 PRODUCTS or conveyance used to transport contraband [cigarettes] TOBACCO
13 PRODUCTS shall deliver the seized cigarettes OR OTHER TOBACCO PRODUCTS and
14 conveyance to the Comptroller.

15 13-837.

16 The owner or another person with an interest in seized property may file a claim
17 for the return of the property with the Comptroller within 30 days after:

18 (1) the seizure of alcoholic beverages, cigarettes, OTHER TOBACCO
19 PRODUCTS, motor fuel or conveyances used to transport motor fuel; or

20 (2) a notice of seizure of a conveyance used to transport alcoholic
21 beverages [or], cigarettes, OR OTHER TOBACCO PRODUCTS is published.

22 13-839.

23 (a) If a person files a claim for return of seized alcoholic beverages, cigarettes,
24 OTHER TOBACCO PRODUCTS, or a conveyance used for their transportation under §
25 13-837 of this subtitle, the Comptroller or the Comptroller's designee shall:

26 (1) promptly act on the request and hold an informal hearing;

27 (2) direct the return of alcoholic beverages [or], cigarettes, OR OTHER
28 TOBACCO PRODUCTS unless the Comptroller or Comptroller's designee has
29 satisfactory proof that the person was not in compliance with any provisions of Title 5
30 or Title 12 of this article at the time of seizure; and

31 (3) direct the return of the conveyance if the Comptroller or
32 Comptroller's designee has satisfactory proof that the owner of the conveyance was
33 not willfully evading any provisions of Title 5 or Title 12 of this article at the time of
34 seizure.

1 (b) The Comptroller or Comptroller's designee shall grant or deny the
2 application for return of seized alcoholic beverages, cigarettes, OTHER TOBACCO
3 PRODUCTS, or a conveyance in accordance with subsection (a) of this section by
4 mailing the person a notice of final determination.

5 13-841.

6 (b) (1) The Comptroller shall sell contraband [cigarettes] TOBACCO
7 PRODUCTS seized under this title and forfeited to a State institution, a nonprofit
8 charitable institution, a licensed cigarette wholesaler, or a licensed cigarette
9 manufacturer in the manner the Comptroller determines.

10 (2) The Comptroller shall sell at public auction a conveyance that is
11 seized under this title in connection with contraband [cigarettes] TOBACCO
12 PRODUCTS and forfeited.

13 13-842.

14 A person who possessed contraband alcoholic beverages, contraband
15 [cigarettes] TOBACCO PRODUCTS, or contraband motor fuel that are seized and sold
16 under this section is not relieved from any penalty under this title.

17 13-1014.

18 (a) A person who willfully possesses, sells, or attempts to sell unstamped or
19 improperly stamped cigarettes OR OTHER TOBACCO PRODUCTS ON WHICH THE
20 TOBACCO TAX HAS NOT BEEN PAID in the State in violation of Title 12 of this article
21 is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding \$1,000
22 or imprisonment not exceeding 1 year or both.

23 13-1015.

24 A person who willfully transports in the State unstamped cigarettes OR OTHER
25 TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID in violation
26 of § 16-219 of the Business Regulation Article is guilty of a felony and, on conviction,
27 is subject to a fine not exceeding \$25 for each carton of cigarettes transported or
28 imprisonment not exceeding 1 year or both.

29 **Article - Business Regulation**

30 16-219.

31 (A) IN THIS SECTION, "OTHER TOBACCO PRODUCTS" HAS THE MEANING
32 STATED IN § 12-101 OF THE TAX - GENERAL ARTICLE.

33 (B) A person who transports cigarettes OR OTHER TOBACCO PRODUCTS by
34 vehicle on a public road shall have in the vehicle a delivery ticket or invoice that
35 states:

36 (1) the name and address of the seller or consignor;

1 (2) the name and address of a buyer or consignee who is:

2 (i) a person in the State authorized by Title 12 of the Tax - General
3 Article to hold unstamped cigarettes OR OTHER TOBACCO PRODUCTS ON WHICH THE
4 TOBACCO TAX HAS NOT BEEN PAID; or

5 (ii) a person in another jurisdiction authorized to hold cigarettes OR
6 OTHER TOBACCO PRODUCTS on which the tax imposed by that jurisdiction has not
7 been paid; and

8 (3) the quantity and brands of the cigarettes OR OTHER TOBACCO
9 PRODUCTS that are being transported.

10 SECTION 4. AND BE IT FURTHER ENACTED, That for fiscal year 2001 and
11 each fiscal year thereafter, the Governor shall include not less than \$21,000,000 in the
12 annual budget in appropriations for activities aimed at reducing tobacco use in
13 Maryland as recommended by the Centers for Disease Control and Prevention,
14 including:

15 (1) Media campaigns aimed at reducing smoking initiation and
16 encouraging smokers to quit smoking;

17 (2) Media campaigns educating the public about the dangers of
18 secondhand smoke exposure;

19 (3) Enforcement of existing laws banning the sale or distribution of
20 tobacco products to minors;

21 (4) Promotion and implementation of smoking cessation programs; and

22 (5) Implementation of school-based tobacco education programs.

23 ~~SECTION 4. AND BE IT FURTHER ENACTED, That for fiscal year 2001 and~~
24 ~~each fiscal year thereafter, the Governor shall include in the budget capital~~
25 ~~appropriations for education facilities in the State in a total amount equal to the~~
26 ~~estimated increase in State revenues for the fiscal year resulting from the enactment~~
27 ~~of Section 2 of this Act.~~

28 ~~SECTION 5. 4. 5.~~ AND BE IT FURTHER ENACTED, That all cigarettes used,
29 possessed, or held in the State on or after July 1, 1999 by any person for sale or use
30 in the State shall be subject to the full tobacco tax of ~~86~~ 72 ~~66~~ cents on cigarettes
31 imposed by this Act. This requirement includes: (1) cigarettes in vending machines or
32 other mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock")
33 in packages which already bear stamps issued by the Comptroller under the State
34 Tobacco Tax Act but for an amount less than the full tax imposed of ~~43~~ 36 ~~33~~ cents for
35 each 10 cigarettes or fractional part thereof; all cigarettes held for sale by any person
36 in the State on or after July 1, 1999 that bear a tax stamp issued by the Comptroller
37 of a value less than ~~86~~ 72 ~~66~~ cents for each pack of 20 cigarettes must be stamped
38 with the additional stamps necessary to make the aggregate value equal to ~~86~~ 72 ~~66~~
39 cents. In lieu of the additional stamps necessary to make the aggregate tax value

1 equal to ~~86~~ 72 66 cents, the Comptroller may provide an alternate method of
 2 collecting the additional tax. The revenue attributable to this requirement shall be
 3 remitted to the Comptroller by September 30, 1999. Except as provided above, on and
 4 after July 1, 1999, no Maryland stamp shall be used except the stamp issued by the
 5 Comptroller to evidence the tobacco tax on cigarettes of ~~86~~ 72 66 cents imposed by this
 6 Act.

7 ~~SECTION 6. 5. AND BE IT FURTHER ENACTED, That all cigarettes used,~~
 8 ~~possessed, or held in the State on or after July 1, 2000 by any person for sale or use~~
 9 ~~in the State shall be subject to the full tobacco tax of \$1.36 on cigarettes imposed by~~
 10 ~~this Act. This requirement includes: (1) cigarettes in vending machines or other~~
 11 ~~mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock") in~~
 12 ~~packages which already bear stamps issued by the Comptroller under the State~~
 13 ~~Tobacco Tax Act but for an amount less than the full tax imposed of 68 cents for each~~
 14 ~~10 cigarettes or fractional part thereof; all cigarettes held for sale by any person in~~
 15 ~~the State on or after July 1, 2000 that bear a tax stamp issued by the Comptroller of~~
 16 ~~a value less than \$1.36 for each pack of 20 cigarettes must be stamped with the~~
 17 ~~additional stamps necessary to make the aggregate value equal to \$1.36. In lieu of the~~
 18 ~~additional stamps necessary to make the aggregate tax value equal to \$1.36, the~~
 19 ~~Comptroller may provide an alternate method of collecting the additional tax. The~~
 20 ~~revenue attributable to this requirement shall be remitted to the Comptroller by~~
 21 ~~September 30, 2000. Except as provided above, on and after July 1, 2000, no~~
 22 ~~Maryland stamp shall be used except the stamp issued by the Comptroller to evidence~~
 23 ~~the tobacco tax on cigarettes of \$1.36 imposed by this Act.~~

24 ~~SECTION 7. 6. 5. 6. AND BE IT FURTHER ENACTED, That the tobacco tax~~
 25 ~~on tobacco products other than cigarettes imposed by this Act shall be applicable to all~~
 26 ~~other tobacco products that are sold by a wholesaler to a retailer in the State on or~~
 27 ~~after October 1, 1999~~ July 1, 2000.

28 ~~SECTION 6. 7. AND BE IT FURTHER ENACTED, That this Act is contingent~~
 29 ~~on the taking effect of Chapter _____ (S.B. 334/H.B. 751) of the Acts of the General~~
 30 ~~Assembly of 1999, and if Chapter _____ does not become effective, this Act shall be null~~
 31 ~~and void without the necessity of further action by the General Assembly.~~

32 ~~SECTION 8. AND BE IT FURTHER ENACTED, That Section 1 of this Act~~
 33 ~~shall remain effective for a period of 1 year and, at the end of June 30, 2000, with no~~
 34 ~~further action required by the General Assembly, Section 1 of this Act shall be of no~~
 35 ~~further force and effect.~~

36 ~~SECTION 9. 7. 6. 7. 8. AND BE IT FURTHER ENACTED, That, subject to the~~
 37 ~~contingency under Section 6 7 of this Act, Section 2 Sections 2 and 3 of this Act shall~~
 38 ~~take effect July 1, 2000.~~

39 ~~SECTION 10. 8. 7. 8. 9. AND BE IT FURTHER ENACTED, That Sections 1~~
 40 ~~and 3 through 8 of, subject to the contingency under Section 6 7 of this Act and except~~
 41 ~~as provided in Section 7 6 7 8 of this Act, this Act shall take effect July 1, 1999.~~

