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[(i)]

26 any 1 month exceeds \$10,000.

(1)

[1.]

[2.]

(I)

(II)

2000 Regular Session 0lr3022 CF SB 746

By: Delegate C. Davis Introduced and read first time: February 23, 2000 Assigned to: Rules and Executive Nominations A BILL ENTITLED 1 AN ACT concerning 2 **Tobacco Tax - Purchase of Tax Stamps** 3 FOR the purpose of increasing the discount rate of the purchase price of tobacco tax stamps offered by the State Comptroller to certain wholesalers; repealing 4 5 certain provisions authorizing the State Comptroller to exempt certain persons 6 from posting security for the tobacco tax under certain circumstances; making technical changes; and generally relating to the tobacco tax and the purchase of 7 8 tobacco tax stamps. 9 BY repealing and reenacting, with amendments, Article - Tax - General 10 Section 12-303(b) and 13-825(h) 11 12 Annotated Code of Maryland 13 (1997 Replacement Volume and 1999 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 14 15 MARYLAND, That the Laws of Maryland read as follows: 16 Article - Tax - General 17 12-303. 18 (b) The Comptroller shall allow a licensed wholesaler a discount of [0.82%] 19 2.27% of the purchase price of tax stamps. 20 13-825. The Comptroller may require a person subject to the tobacco tax to 21 (h) [(1)]22 post security for the tax in the following amounts:

for a manufacturer or wholesaler:

\$10,000, plus

the amount, if any, by which the tobacco tax due for

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1		[(ii)]	(2)	for a su	bwholesaler or vending machine operator:
2			[1.]	(I)	\$1,000, plus
3	any 1 month exceeds	\$1,000.	[2.]	(II)	the amount, if any, by which the tobacco tax due for
	[(2) Except as provided in paragraph (5) of this subsection, the Comptroller may exempt a person from posting security for the tobacco tax if the person is and has been for the past 5 years:				
8 9	(i) licensed as required under § 16-202 of the Business Regulation article to act as a wholesaler; and				
10 11	determined under par	(ii) ragraph (1. 3) of this		nuous compliance with the tobacco tax laws, as on; and
12 13	2. in continuous compliance with the conditions of the person's security posted under this subsection.				
	(3) For purposes of paragraph (2) of this subsection, a person is in continuous compliance with the tobacco tax laws for a period if the person has not, at any time during that period:				
17 18	when due;	(i)	failed to	pay any	tobacco tax or any tobacco tax assessment
19		(ii)	failed to	file a to	bacco tax return when due; or
20 21	this article or Title 16	(iii) 5 of the B			ed any of the provisions of Title 12 or Title 13 of an Article.
24	(4) (i) An exemption granted under paragraph (2) of this subsection is effective only to the extent that a person's potential tobacco tax liability does not exceed an amount determined by the Comptroller based on the person's experience during the 5-year compliance period under paragraph (2) of this subsection.				
28	(ii) The Comptroller may revoke an exemption granted to a person under paragraph (2) of this subsection if the person at any time fails to be in continuous compliance with the tobacco tax laws, as described in paragraph (3) of this subsection.				
32	(iii) The Comptroller may reinstate an exemption revoked under subparagraph (ii) of this paragraph if the person meets the requirements of paragraph (2)(i) and (ii) of this subsection for a period of 2 years following the revocation.				
	(5) The Comptroller may not exempt a person from posting a bond or other security for the tobacco tax unless the Comptroller determines that the person is solvent and financially able to pay the person's potential tobacco tax liability.				

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- 1 (6) If a corporation is granted an exemption from posting a bond or other 2 security for the tobacco tax, any officer of the corporation who exercises direct control 3 over its fiscal management is personally liable for any tobacco tax, interest and 4 penalties owed by the corporation.]

- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 5
- 6 July 1, 2000.