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By: **Senators Hogan, Collins, and Middleton**  
Introduced and read first time: February 4, 2000  
Assigned to: Budget and Taxation

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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  
4 stamps offered by the State Comptroller to certain wholesalers; repealing  
5 certain provisions authorizing the State Comptroller to exempt certain persons  
6 from posting security for the tobacco tax under certain circumstances; making  
7 technical changes; and generally relating to the tobacco tax and the purchase of  
8 tobacco tax stamps.

9 BY repealing and reenacting, with amendments,  
10 Article - Tax - General  
11 Section 12-303(b) and 13-825(h)  
12 Annotated Code of Maryland  
13 (1997 Replacement Volume and 1999 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
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.

21 (h) [(1)] The Comptroller may require a person subject to the tobacco tax to  
22 post security for the tax in the following amounts:

23 [(i)] (1) for a manufacturer or wholesaler:

24 [1.] (I) \$10,000, plus

25 [2.] (II) the amount, if any, by which the tobacco tax due for  
26 any 1 month exceeds \$10,000.



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.]

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