
By: **Senator Brinkley**
Introduced and read first time: February 6, 2004
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 9, 2004

CHAPTER _____

1 AN ACT concerning

2 **Tobacco Tax - Tobacco Products other than Cigarettes - Payment of Tax by**
3 **Retailers**

4 FOR the purpose of requiring ~~the Comptroller to adopt certain regulations relating to~~
5 ~~the payment of~~ certain entities to pay the tobacco tax on certain tobacco
6 products other than cigarettes ~~by certain entities in certain manners;~~ and
7 generally relating to ~~the administration of~~ the tobacco tax on certain tobacco
8 products other than cigarettes.

9 BY repealing and reenacting, with amendments,
10 Article - Tax - General
11 Section 12-302
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2003 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 12-302.

18 (a) A manufacturer of sample cigarettes shall pay the tobacco tax on those
19 cigarettes distributed in the State without charge, in the manner that the
20 Comptroller requires by regulation, with the return that covers the period in which
21 the manufacturer distributed those cigarettes.

1 (b) The wholesaler who first possesses in the State unstamped cigarettes for
2 which tax stamps are required shall pay the tobacco tax on those cigarettes by buying
3 and affixing tax stamps.

4 (c) (1) The tobacco tax on other tobacco products shall be paid by the
5 wholesaler who sells the other tobacco products to a retailer or consumer in the State.

6 (2) If a retailer ~~or consumer~~ possesses other tobacco products in the
7 State on which the tobacco tax has not been paid, the retailer ~~or consumer~~ shall pay
8 the tobacco tax on those other tobacco products BASED ON:

9 (I) PRODUCTS HELD IN THE RETAILER'S INVENTORY; OR

10 (II) PRODUCTS SOLD BY THE RETAILER.

11 (3) IF A CONSUMER POSSESSES OTHER TOBACCO PRODUCTS IN THE
12 STATE ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID, THE CONSUMER SHALL
13 PAY THE TOBACCO TAX ON THOSE OTHER TOBACCO PRODUCTS.

14 ~~(D) THE COMPTROLLER SHALL ADOPT REGULATIONS TO AUTHORIZE~~
15 ~~RETAILERS OF OTHER TOBACCO PRODUCTS IN THE STATE TO PAY THE TOBACCO TAX~~
16 ~~ON OTHER TOBACCO PRODUCTS BASED ON PRODUCTS SOLD BY THE RETAILER~~
17 ~~RATHER THAN ON PRODUCTS HELD IN THE RETAILER'S INVENTORY.~~

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 July 1, 2004.