

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 76

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “licensee” insert “, a subwholesaler licensee, and a wholesaler licensee with regard to the storage of cigarettes; providing that the tobacco tax does not apply to cigarettes or other tobacco products that a licensed storage warehouse stores on behalf of a licensed cigarette manufacturer”; in the same line, strike “authorizing the Comptroller to adopt certain regulations;”; in line 5, after “to” insert “cigarette licensees and”; in the same line, strike “warehouse licenses”; strike in their entirety lines 6 through 10, inclusive; in line 13, strike “16-203(b) and 16-206(c)” and substitute “16-206”; and after line 15, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - General

Section 12-104(b)

Annotated Code of Maryland

(2004 Replacement Volume)”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 19 on page 1 through line 8 on page 2, inclusive.

AMENDMENT NO. 3

On page 2, after line 8, insert:

“16-206.

(a) A manufacturer license authorizes the licensee to:

(1) sell unstamped cigarettes to a licensed cigarette wholesaler located in

(Over)

Maryland;

(2) except as otherwise prohibited or restricted under local law, this article, or the Criminal Law Article, distribute sample cigarettes to consumers located in Maryland;

(3) store unstamped cigarettes in a licensed cigarette storage warehouse for subsequent shipment to licensed wholesalers, federal reservations, or persons out of state; and

(4) upon approval of the Comptroller, act as an agent of a Maryland licensed wholesaler for stamping and distribution of cigarettes.

(b) A retailer license authorizes the licensee to:

(1) act as a retailer; and

(2) buy stamped cigarettes from a subwholesaler or wholesaler.

(c) (1) A storage warehouse license authorizes the licensee to operate a storage facility in Maryland for the purpose of storing unstamped cigarettes on behalf of a licensed cigarette manufacturer.

(2) IF A STORAGE WAREHOUSE LICENSEE IS A LICENSED CIGARETTE WHOLESALER OR LICENSED CIGARETTE SUBWHOLESALER, THE STORAGE WAREHOUSE LICENSE AUTHORIZES THE HOLDER TO STORE STAMPED CIGARETTES AND CIGARETTES WITH ANOTHER STATE'S TAX STAMP.

(d) A subwholesaler license authorizes the licensee to:

(1) act as a subwholesaler; [and]

(2) buy stamped cigarettes from a wholesaler or another subwholesaler; AND

(3) STORE STAMPED CIGARETTES AND CIGARETTES WITH ANOTHER STATE'S TAX STAMP AT A LICENSED CIGARETTE STORAGE FACILITY.

(e) A vending machine operator license authorizes the licensee to:

(1) act as a vending machine operator; and

(2) buy stamped cigarettes from a subwholesaler or wholesaler.

(f) A wholesaler license authorizes the licensee to:

(1) act as a wholesaler;

(2) buy unstamped cigarettes directly from a cigarette manufacturer;

(3) hold unstamped cigarettes;

(4) buy tobacco tax stamps as authorized by § 12-303 of the Tax - General Article;

(5) transport unstamped cigarettes in the State;

(6) sell unstamped cigarettes to another licensed wholesaler if the Comptroller specifically authorizes; [and]

(7) upon approval of the Comptroller, designate a licensed manufacturer to act as its agent for the stamping and distribution of cigarettes; AND

(8) STORE STAMPED CIGARETTES AND CIGARETTES WITH ANOTHER STATE'S TAX STAMP AT A LICENSED CIGARETTE STORAGE FACILITY.”.

AMENDMENT NO. 4

On page 2, strike in their entirety lines 9 through 12, inclusive; and after line 12, insert:

“Article - Tax - General

12-104.

(b) The tobacco tax does not apply to:

(Over)

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

(2) other tobacco products that a wholesaler is holding for sale outside the State or to a United States armed forces exchange or commissary; or

(3) cigarettes or other tobacco products that:

(i) a consumer brings into the State:

1. if the quantity brought from another state does not exceed:

A. for a nonresident consumer traveling through this State, other tobacco products having a retail value of \$25 or 1 carton of cigarettes; or

B. for any other consumer, other tobacco products having a retail value of \$5 or 2 packages of cigarettes; or

2. if the quantity brought from a United States armed forces installation or reservation does not exceed:

A. for a consumer who is a member of an armed forces unit or who is entitled by law to make a purchase at an armed forces exchange, other tobacco products having a retail value of \$50 or 2 cartons of cigarettes; or

B. for any other consumer, other tobacco products having a retail value of \$5 or 2 packages of cigarettes that were bought at an armed forces exchange or commissary;

(ii) a person is transporting by vehicle in the State if the person has, in the vehicle, the records required by § 16-219 of the Business Regulation Article for the transportation of cigarettes or other tobacco products; or

(iii) are held in storage in a licensed storage warehouse ON BEHALF OF A LICENSED CIGARETTE MANUFACTURER.”.