Q7 6lr1961

By: Senators Ruben, Britt, Forehand, Frosh, Gladden, Green, Grosfeld, Jones, and Pinsky

Introduced and read first time: February 3, 2006

Assigned to: Budget and Taxation

	A BILL ENTITLED
1	AN ACT concerning
2	Tobacco Tax - Revenues for Pension Enhancements for State Employees and Teachers
4 5 6 7 8 9	FOR the purpose of altering the tobacco tax rates imposed on certain tobacco products; requiring the Comptroller to distribute a portion of certain tobacco tax revenues to a special fund to be used only to provide funding for certain pension enhancements for certain State employees and teachers; and generally relating to the tobacco tax and the dedication of certain tobacco tax revenues for funding pension enhancements for State employees and teachers.
10 12 13	Section 2-1602.1 Annotated Code of Maryland
15 16 17 18	Section 2-1603 and 12-105 Annotated Code of Maryland

21 MARYLAND, That the Laws of Maryland read as follows:

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

23 2-1602.1.

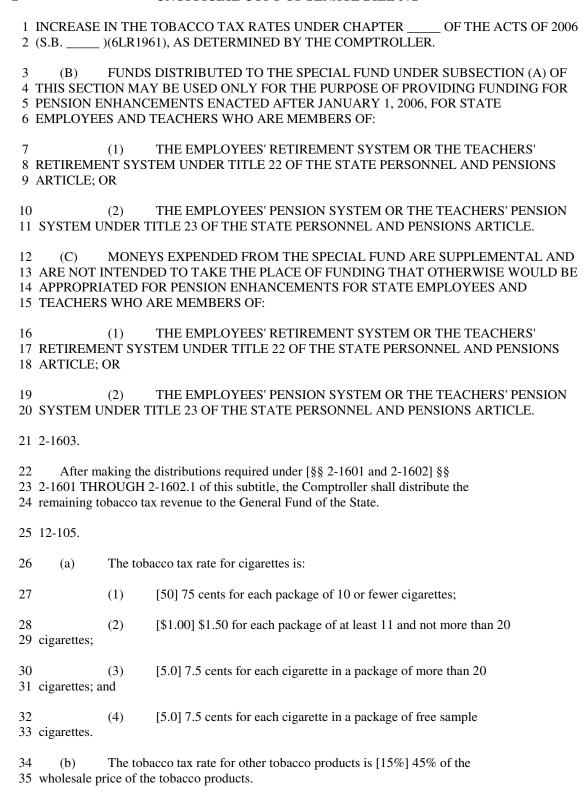
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24 (A) AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1601 AND

Article - Tax - General

- 25 2-1602 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE TO A SPECIAL
- 26 FUND 100% OF THE ADDITIONAL TOBACCO TAX REVENUES RESULTING FROM THE



UNOFFICIAL COPY OF SENATE BILL 572

- 1 SECTION 2. AND BE IT FURTHER ENACTED, That all cigarettes used,
- 2 possessed, or held in the State on or after July 1, 2006, by any person for sale or use
- 3 in the State, shall be subject to the full tobacco tax of \$1.50 on cigarettes imposed by
- 4 this Act. This requirement includes: (1) cigarettes in vending machines or other
- 5 mechanical dispensers; and (2) cigarettes (generally referred to as "floor stock") in
- 6 packages which already bear stamps issued by the Comptroller under the State
- 7 Tobacco Tax Act but for an amount less than the full tax imposed of 75 cents for each
- 8 10 cigarettes or fractional part thereof; all cigarettes held for sale by any person in
- 9 the State on or after July 1, 2006, that bear a stamp issued by the Comptroller of a
- 10 value less than \$1.50 for each pack of 20 cigarettes must be stamped with the
- 11 additional stamps necessary to make the aggregate tax value equal to \$1.50. Instead
- 12 of the additional stamps necessary to make the aggregate tax value equal to \$1.50,
- 13 the Comptroller may provide an alternate method of collecting the additional tax. The
- 14 revenue attributable to this requirement shall be remitted to the Comptroller by
- 15 September 30, 2006. Except as provided above, on and after July 1, 2006, no
- 16 Maryland stamp shall be used except the stamp issued by the Comptroller to evidence
- 17 the tobacco tax on cigarettes of \$1.50 imposed by this Act.
- 18 SECTION 3. AND BE IT FURTHER ENACTED, That the tobacco tax rate
- 19 increase imposed on tobacco products other than cigarettes by this Act shall be
- 20 applicable to all other tobacco products that are sold by a wholesaler to a retailer in
- 21 the State on or after July 1, 2006.
- 22 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 23 July 1, 2006.