

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 88  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “acts” insert “in the State”; in line 5, after “warehouse,” insert “tobacconist,”; in the same line, strike “in the State”; in line 6, after “retailers” insert “and wholesalers”; in the same line, after “retailer” insert “or a tobacconist”; in line 7, after “retailer” insert “or the tobacconist”; in line 13, after “wholesalers” insert “in the State”; in line 14, after “retailers” insert “and tobacconists”; in line 15, after “licenses,” insert “providing certain provisions for retailers defined as tobacconists and retailers that sell premium cigars and pipe tobacco,”; in line 20, after the second “act” insert “in the State”; in line 21, after “warehouse,” insert “tobacconist,”; and in the same line, strike “in the State”.

AMENDMENT NO. 2

On page 2, in line 5, in each instance, strike “certain”; in the same line, after “licensees” insert “and certain wholesalers”; in the same line, after “file” insert “a”; in line 6, strike “returns” and substitute “return”; strike beginning with “altering” in line 6 down through “products,” in line 8; in line 10, strike “manufacturer or”; in line 11, after “in” insert “a”; in the same line, strike “amounts” and substitute “amount”; in line 14, after “warehouses,” insert “tobacconists,”; in the same line, after “wholesalers” insert “in the State”; and in line 34, strike “12-304(a),”.

AMENDMENT NO. 3

On page 4, in line 8, strike “AN” and substitute “A LICENSED”; in line 14, after “RETAILER” insert “OR A TOBACCONIST”; in line 17, strike “TO ACT AS AN OTHER TOBACCO PRODUCTS MANUFACTURER” and substitute “WHO:”

**(1) MANUFACTURES OR OTHERWISE PRODUCES OTHER TOBACCO PRODUCTS IN THE STATE INTENDED FOR SALE IN THE STATE, INCLUDING**

(Over)

OTHER TOBACCO PRODUCTS INTENDED FOR SALE IN THE STATE THROUGH AN IMPORTER; AND

(2) (I) SELLS OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID TO A LICENSED OTHER TOBACCO PRODUCTS WHOLESALER IN THE STATE;

(II) SELLS OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID AND WHICH MAY LAWFULLY BE SOLD IN THE STATE TO A LICENSED OTHER TOBACCO PRODUCTS WHOLESALER LOCATED OUTSIDE OF THE STATE;

(III) UNLESS OTHERWISE PROHIBITED OR RESTRICTED UNDER LOCAL LAW, THIS ARTICLE, OR THE CRIMINAL LAW ARTICLE, DISTRIBUTES SAMPLE OTHER TOBACCO PRODUCTS TO CONSUMERS LOCATED IN THE STATE; OR

(IV) STORES OTHER TOBACCO PRODUCTS IN AN OTHER TOBACCO PRODUCTS WAREHOUSE IN THE STATE FOR SUBSEQUENT SHIPMENT TO LICENSED WHOLESALERS, FEDERAL RESERVATIONS, OR PERSONS OUTSIDE OF THE STATE”;

and in line 27, after “(H)” insert ““LICENSED TOBACCONIST” MEANS A PERSON LICENSED BY THE CLERK OF A CIRCUIT COURT UNDER § 16A-204(B) OF THIS TITLE TO ACT AS A TOBACCONIST.

(I)”.

AMENDMENT NO. 4

On page 5, in line 4, strike “(I)” and substitute “(J)”; in line 9, strike “AND”; in line 24, after “STATE” insert “;OR”

(3) IS A LICENSED OTHER TOBACCO PRODUCTS MANUFACTURER UNDER THIS TITLE”;

in lines 25 and 29, strike “(J)” and “(K)”, respectively, and substitute “(K)” and “(L)”, respectively; and in line 32, strike “A LICENSED” and substitute “AN”.

AMENDMENT NO. 5

On page 6, in lines 1 and 7, strike “(L)” and “(M)”, respectively, and substitute “(M)” and “(N) (1)”, respectively; after line 10, insert:

“(2) “PACKAGE” INCLUDES NOT MORE THAN 10 CIGARS OFFERED FOR SALE, SOLD, OR DISTRIBUTED AS SINGLE CIGARS.

(O) “PIPE TOBACCO” MEANS ANY TOBACCO THAT, BECAUSE OF ITS APPEARANCE, TYPE, PACKAGING, OR LABELING, IS SUITABLE FOR USE AND LIKELY TO BE OFFERED TO, OR PURCHASED BY, CONSUMERS AS TOBACCO TO SMOKE IN A PIPE.

(P) “PREMIUM CIGARS” MEANS CIGARS THAT:

(1) HAVE HAND-ROLLED WRAPPERS MADE FROM WHOLE TOBACCO LEAVES WHERE THE FILLER, BINDER, AND WRAPPER ARE MADE OF ALL TOBACCO, AND MAY INCLUDE ADHESIVES OR OTHER MATERIALS USED TO MAINTAIN SIZE, TEXTURE, OR FLAVOR; OR

(2) ARE DESIGNATED AS PREMIUM CIGARS BY THE COMPTROLLER BY REGULATION.”;

(Over)

in lines 11 and 14, strike “(N)” and “(O)”, respectively, and substitute “(Q)” and “(R)”, respectively; after line 15, insert:

**“(S) “TOBACCONIST” MEANS AN OTHER TOBACCO PRODUCTS BUSINESS THAT DERIVES AT LEAST 70% OF ITS REVENUES, MEASURED BY AVERAGE DAILY RECEIPTS, FROM THE SALE OF OTHER TOBACCO PRODUCTS AND TOBACCO-RELATED ACCESSORIES.”;**

in line 23, strike “AN” and substitute “A LICENSED”; in the same line, before the second “OTHER”, insert “A LICENSED”; in lines 24 and 25, in each instance, before “OTHER” insert “A LICENSED”; in line 24, strike “OR”; in line 25, after “WHOLESALE” insert “, OR A LICENSED TOBACCONIST”; and in lines 30 and 32, in each instance, after “RETAILER” insert “OR A TOBACCONIST”.

#### AMENDMENT NO. 6

On page 7, in line 1, strike “A PERSON LICENSED AS AN” and substitute “AN”; in line 2, strike “A LICENSED” and substitute “AN”; in line 14, strike “AN” and substitute “A LICENSED”; in line 15, after “MAINTAIN” insert “IN THE STATE”; and in line 29, strike “AN” and substitute “A LICENSED”.

#### AMENDMENT NO. 7

On page 8, in line 3, after “RETAILER” insert “OR A TOBACCONIST”; in line 24, after “(D)” insert “(1)”; in lines 26 and 29, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; in line 29, before “PAY” insert “EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,”; and after line 29, insert:

**“(2) A PERSON WHO HAS A LICENSE ISSUED UNDER TITLE 16 OF THIS ARTICLE TO ACT AS A CIGARETTE WHOLESALE IS NOT REQUIRED TO PAY THE LICENSE FEE.”.**

AMENDMENT NO. 8

On page 9, in line 9, strike “AN” and substitute “A LICENSED”; in line 12, after “CLERK” insert “OF THE CIRCUIT COURT”; in line 14, after “RETAILER” insert “OR A TOBACCONIST”; strike beginning with “LICENSE” in line 16 down through “TO” in line 17 and substitute “MAY”; in line 24, after “MARYLAND;” insert “OR”; after line 24, insert:

“(III) A LICENSED TOBACCONIST;

(2) SELL PREMIUM CIGARS OR PIPE TOBACCO ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID TO A LICENSED OTHER TOBACCO PRODUCTS RETAILER;”;

in lines 25 and 29, strike “(2)” and “(3)”, respectively, and substitute “(3)” and “(4)”, respectively; in line 28, strike “AND”; and in line 33, after “STATE” insert “; AND”

(5) ON APPROVAL OF THE COMPTROLLER, ACT AS AN AGENT OF A MARYLAND OTHER TOBACCO PRODUCTS WHOLESALER FOR DISTRIBUTION OF OTHER TOBACCO PRODUCTS”.

AMENDMENT NO. 9

On page 10, in line 3, strike “AND”; in line 5, after “WHOLESALE” insert “; AND”

(3) BUY PREMIUM CIGARS OR PIPE TOBACCO ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID FROM AN OTHER TOBACCO PRODUCTS MANUFACTURER”;

and after line 32, insert:

(Over)

“(E) A TOBACCONIST LICENSE AUTHORIZES THE LICENSEE TO:

(1) ACT AS A TOBACCONIST; AND

(2) BUY OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID FROM AN OTHER TOBACCO PRODUCTS MANUFACTURER.”.

AMENDMENT NO. 10

On page 11, in line 23, after “RETAILER” insert “OR A LICENSED TOBACCONIST”.

AMENDMENT NO. 11

On page 12, in line 12, after “RETAILER” insert “OR A LICENSED TOBACCONIST”; and in line 25, strike “A LICENSED” and substitute “AN”.

AMENDMENT NO. 12

On page 15, in line 28, strike “AN” and substitute “A LICENSED”; in line 29, before the second “OTHER”, insert “A LICENSED”; in line 30, in each instance, before “OTHER” insert “A LICENSED”; in the same line, strike “OR”; and in line 31, after “WHOLESALE” insert “, OR A LICENSED TOBACCONIST”.

AMENDMENT NO. 13

On page 16, in line 28, after “RETAILERS” insert “AND TOBACCONISTS”.

AMENDMENT NO. 14

On page 17, in line 2, after “RETAILER” insert “AND TOBACCONIST”; in line 6, after “RETAILER” insert “AND EACH TOBACCONIST”; and after line 26, insert:

“(D) A LICENSED OTHER TOBACCO PRODUCTS RETAILER WHO PURCHASES PREMIUM CIGARS OR PIPE TOBACCO FROM AN OTHER TOBACCO PRODUCTS MANUFACTURER OR A LICENSED TOBACCONIST SHALL, FOR A PERIOD OF 2 YEARS, KEEP AND MAINTAIN AVAILABLE FOR INSPECTION AT THE LICENSE LOCATION DURING BUSINESS HOURS:

(1) ALL INVOICES AND BILLS OF LADING; AND

(2) ALL RECORDS COVERING ALL PURCHASES AND SALES OF OTHER TOBACCO PRODUCTS.”.

AMENDMENT NO. 15

On page 19, in lines 29, 32, and 33, in each instance, after “**RETAILER**” insert “**OR LICENSED TOBACCONIST**”; and in line 30, strike “**NO**” and substitute “**NOT**”.

AMENDMENT NO. 16

On page 21, in line 3, after “**(E)**” insert ““**OTHER TOBACCO PRODUCTS RETAILER**” MEANS A PERSON AUTHORIZED UNDER § 16A-205(B) OF THE BUSINESS REGULATION ARTICLE TO PURCHASE OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID.

**(F)**”;

in line 6, strike “**(F)**” and substitute “**(G)**”; in line 9, strike “**(G)**” and substitute “**(H)**”  
“**TOBACCONIST**” MEANS A PERSON AUTHORIZED UNDER § 16A-205(E) OF THE BUSINESS REGULATION ARTICLE TO PURCHASE OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID.

**(I)**”;

(Over)

and in lines 11 and 14, strike “(H)” and “(I)”, respectively, and substitute “(J)” and “(K)”, respectively.

AMENDMENT NO. 17

On page 23, in line 11, strike “A LICENSED” and substitute “AN”; strike beginning with “OR” in line 17 down through “PRODUCTS” in line 18; strike beginning with “OR” in line 20 down through “PRODUCTS” in line 21; after line 21, insert:

“(B) A LICENSED OTHER TOBACCO PRODUCTS MANUFACTURER SHALL FILE THE INFORMATION RETURN THAT THE COMPTROLLER REQUIRES.”;

in line 22, strike “(b)” and substitute “(C)”; and in the same line, after “operator” insert “AND A LICENSED OTHER TOBACCO PRODUCTS STORAGE WAREHOUSE OPERATOR”.

AMENDMENT NO. 18

On page 24, in lines 14, 15, and 18, in each instance, strike “OR OTHER TOBACCO PRODUCTS”; after line 27, insert:

“(D) (1) A LICENSED OTHER TOBACCO PRODUCTS RETAILER OR A LICENSED TOBACCONIST SHALL PAY THE TOBACCO TAX ON OTHER TOBACCO PRODUCTS ON WHICH THE TOBACCO TAX HAS NOT BEEN PAID BY FILING A QUARTERLY TAX RETURN, WITH ANY SUPPORTING SCHEDULES, ON FORMS PROVIDED BY THE COMPTROLLER ON THE FOLLOWING DATES COVERING TAX LIABILITIES IN THE PRECEDING QUARTER:

(I) JANUARY 21;

(II) APRIL 21;



(III) JULY 21; AND

(IV) OCTOBER 21.

(2) A LICENSED OTHER TOBACCO PRODUCTS RETAILER OR A LICENSED TOBACCONIST REQUIRED TO FILE A TAX RETURN UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL PAY A TOBACCO TAX AT THE RATE PROVIDED IN § 12-105(B) OF THIS TITLE BASED ON THE INVOICE AMOUNT CHARGED BY THE LICENSED OTHER TOBACCO PRODUCTS MANUFACTURER, EXCLUSIVE OF ANY DISCOUNT, TRADE ALLOWANCE, REBATE, OR OTHER REDUCTION.”.

On pages 24 and 25, strike the lines beginning with line 28 on page 24 through line 2 on page 25, inclusive.

AMENDMENT NO. 19

On page 25, in line 19, strike “CIGARETTE”; and in lines 27 and 28, strike “MANUFACTURER OR”.