

HB1324/355868/1

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 1324

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Tax**” insert “**and Sales and Use Tax**”; in the same line, after the second “**Tobacco**” insert “**and Tobacco Smoking Devices**”; in line 3, after “of” insert “altering the definition of “other tobacco products” to exclude certain items;”; in line 25, after “penalties;” insert “altering the sales and use tax rate imposed on sales of certain tobacco-related items;”.

On page 2, strike line 4 in its entirety and substitute “taxation of tobacco and tobacco smoking devices.”; after line 4, insert:

“BY repealing and reenacting, without amendments,

Article – Business Regulation

16.5–101(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Business Regulation

16.5–101(i)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

(As enacted by Chapter 37 of the Acts of the General Assembly of 2021);

after line 10, insert:

“BY repealing and reenacting, with amendments,

Article - Tax - General

(Over)

**HB1324/355868/1 Committee on Ways and Means
Amendments to HB 1324
Page 2 of 5**

Section 11-104(j) and 12-105(b)
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)
(As enacted by Chapter 37 of the Acts of the General Assembly of 2021)”;

and in line 13, strike “12-105(b),”.

AMENDMENT NO. 2

On page 2, after line 28, insert:

“16.5-101.

(a) In this title the following words have the meanings indicated.

(i) (1) “Other tobacco products” means, except as provided in paragraph (3) of this subsection, a product that is:

(i) intended for human consumption or likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested in any other manner, and that is made of or derived from, or that contains:

1. tobacco; or

2. nicotine; or

(ii) a component or part used in a consumable product described under item (i) of this paragraph.

(2) “Other tobacco products” includes[:

(i)] cigars, premium cigars, pipe tobacco, chewing tobacco, snuff, and snus[; and

**HB1324/355868/1 Committee on Ways and Means
Amendments to HB 1324
Page 3 of 5**

(ii) filters, rolling papers, pipes, and hookahs].

(3) “Other tobacco products” does not include:

(i) cigarettes;

(ii) electronic smoking devices; or

(iii) drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act.”.

On page 9, after line 17, insert:

“11-104.

(i) (1) (i) In this subsection, the following words have the meanings indicated.

(ii) “Electronic smoking device” has the meaning stated in § 16.7-101 of the Business Regulation Article.

(iii) “Vaping liquid” has the meaning stated in § 16.7-101 of the Business Regulation Article.

(2) Except as provided in paragraph (3) of this subsection, the sales and use tax rate [for electronic smoking devices] is 12% of the taxable price **FOR:**

(I) ELECTRONIC SMOKING DEVICES;

(II) TOBACCO FILTERS;

(Over)

(III) TOBACCO ROLLING PAPERS;

(IV) TOBACCO PIPES; AND

(V) TOBACCO HOOKAHS.

(3) The sales and use tax for vaping liquid sold in a container that contains 5 milliliters or less of vaping liquid is 60% of the taxable price.”;

in lines 21 and 26, in each instance, strike the bracket; in line 23, strike “(1)” and substitute “**(I)**”; and in line 25, strike “(2)” and substitute “**(II)**”.

On page 10, strike in their entirety lines 18 through 30, inclusive, and substitute:

“(b) (1) Except as provided in paragraph (2) of this subsection, the tobacco tax rate for other tobacco products is 53% of the wholesale price of the tobacco products.

(2) (i) In this paragraph, “pipe tobacco” and “premium cigars” have the meanings stated in § 16.5–101 of the Business Regulation Article.

(ii) 1. Except as provided in subparagraph 2 of this subparagraph, the tobacco tax rate for cigars is 70% of the wholesale price of the cigars.

2. The tobacco tax rate for premium cigars is 15% of:

A. the wholesale price of the premium cigars; OR

B. FOR PREMIUM CIGARS SOLD BY AN OUT-OF-STATE SELLER, THE PRICE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.

**HB1324/355868/1 Committee on Ways and Means
Amendments to HB 1324
Page 5 of 5**

(iii) The tobacco tax rate for pipe tobacco is 30% of:

1. the wholesale price of the pipe tobacco; OR

2. FOR PIPE TOBACCO SOLD BY AN OUT-OF-STATE
SELLER, THE PRICE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION.”.