

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 541

(The President)(By Request - Office of the Attorney
General)

Finance

Economic Matters

Cigarettes - Wholesalers - Disclosure of Information

This bill requires each licensed cigarette wholesaler to submit *complete and accurate* information in the form and manner the Comptroller's Office requires to facilitate compliance with specific reporting requirements.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill does not affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Each licensed wholesaler must submit specific information about the number of cigarettes sold to the Comptroller's Office and maintain specific sales records for five years. Information must be submitted no later than 21 days after the end of each calendar quarter (more frequently if directed by the Comptroller) and include a list by brand family of the total number of cigarettes or – in the case of roll-your-own cigarettes, the equivalent stick count – for which the licensed wholesaler affixed stamps during the previous calendar quarter or otherwise paid the tax due for the cigarettes. Statute allows the Comptroller to share this information with the Attorney General and the Executive Director of the Alcohol and Tobacco Commission (ATC) for compliance and enforcement purposes. Existing statutory provisions authorize ATC to impose penalties for a violation of reporting and record keeping requirements.

ATC is responsible for monitoring the manufacture, storage, transportation, sale and distribution of alcoholic beverages and tobacco in Maryland. ATC issues licenses and permits, maintains automated credit control information for the alcoholic beverage industry, and promotes fair trade practices in accordance with the law. The Comptroller's Office collects State taxes on beer, wine, distilled spirits, cigarettes, and other tobacco products.

Additional Comments: For more information regarding the activities of the Comptroller's Office and ATC in fiscal 2022, see the [2022 Alcohol and Tobacco Tax Annual Report](#).

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 777 (The Speaker)(By Request - Office of the Attorney General) - Economic Matters.

Information Source(s): Office of the Attorney General; Alcohol and Tobacco Commission; Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2023
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