

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
  
12  
13  
14  
15  
16  
17  
18  
19  
20

H.137

Introduced by Representatives Till of Jericho, Bissonnette of Winooski, Dakin  
of Chester, Evans of Essex, Jerman of Essex, Lenex of  
Shelburne, Nuovo of Middlebury, Russell of Rutland City,  
Stevens of Waterbury, Townsend of South Burlington, and  
Woodward of Johnson

Referred to Committee on

Date:

Subject: Taxation; cigarettes and tobacco products

Statement of purpose of bill as introduced: This bill proposes to raise the  
cigarette and tobacco products tax rates.

An act relating to raising the cigarette and tobacco products tax rates

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 7771 is amended to read:

§ 7771. RATE OF TAX

\* \* \*

(d) The tax imposed under this section shall be at the rate of ~~134~~ 181 mills  
per cigarette or little cigar and for each 0.0325 ounces of roll-your-own  
tobacco. The interest and penalty provisions of section 3202 of this title shall  
apply to liabilities under this section.

1 Sec. 2. 32 V.S.A. § 7811 is amended to read:

2 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

3 There is hereby imposed and shall be paid a tax on all tobacco products  
4 except roll-your-own tobacco and little cigars taxed under section 7771 of this  
5 title possessed in the ~~state~~ State of Vermont by any person for sale on and after  
6 July 1, 1959 which were imported into the ~~state~~ State or manufactured in the  
7 ~~state~~ State after said date, except that no tax shall be imposed on tobacco  
8 products sold under such circumstances that this ~~state~~ State is without power to  
9 impose such tax, or sold to the United States, or sold to or by a voluntary  
10 unincorporated organization of the ~~armed forces~~ Armed Forces of the United  
11 States operating a place for the sale of goods pursuant to regulations  
12 promulgated by the appropriate executive agency of the United States. Such  
13 tax is intended to be imposed only once upon the wholesale sale of any tobacco  
14 product and shall be at the rate of 92 percent of the wholesale price for all  
15 tobacco products except snuff, which shall be taxed at ~~\$1.87~~ \$2.70 per ounce,  
16 or fractional part thereof, new smokeless tobacco, which shall be taxed at the  
17 greater of ~~\$1.87~~ \$2.70 per ounce or, if packaged for sale to a consumer in a  
18 package that contains less than 1.2 ounces of the new smokeless tobacco, at the  
19 rate of \$2.24 per package, and cigars with a wholesale price greater than \$2.17,  
20 which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the  
21 cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per

1 cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however,  
2 that upon payment of the tax within 10 days, the distributor or dealer may  
3 deduct from the tax two percent of the tax due. It shall be presumed that all  
4 tobacco products within the ~~state~~ State are subject to tax until the contrary is  
5 established and the burden of proof that any tobacco products are not taxable  
6 hereunder shall be upon the person in possession thereof. Wholesalers of  
7 tobacco products shall state on the invoice whether the price includes the  
8 Vermont tobacco products tax.

9 Sec. 3. 32 V.S.A. § 7814 is amended to read:

10 § 7814. FLOOR STOCK TAX

11 (a) Snuff. A floor stock tax is hereby imposed upon every retailer of snuff  
12 in this ~~state~~ State in the amount by which the new tax exceeds the amount of  
13 the tax already paid on the snuff. The tax shall apply to snuff in the possession  
14 or control of the retailer at 12:01 a.m. ~~on~~ on July 1, ~~2006~~ 2013, but shall  
15 not apply to retailers who hold less than \$500.00 in wholesale value of such  
16 snuff. Each retailer subject to the tax shall, on or before July 25, ~~2006~~ 2013  
17 file a report to the ~~commissioner~~ Commissioner in such form as the  
18 ~~commissioner~~ Commissioner may prescribe showing the snuff on hand at  
19 12:01 a.m. ~~on~~ on July 1, ~~2006~~ 2013, and the amount of tax due thereon.  
20 The tax imposed by this section shall be due and payable on or before August  
21 25, ~~2006~~ 2013, and thereafter shall bear interest at the rate established under

1 section 3108 of this title. In case of timely payment of the tax, the retailer may  
2 deduct from the tax due two percent of the tax. Any snuff with respect to  
3 which a floor stock tax has been imposed and paid under this section shall not  
4 again be subject to tax under section 7811 of this title.

5 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the  
6 prohibition against further tax on stamped cigarettes, little cigars, or  
7 roll-your-own tobacco under section 7771 of this title, a floor stock tax is  
8 hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own  
9 tobacco in this ~~state~~ State who is either a wholesaler, or a retailer who at  
10 12:01 a.m. on July 1, ~~2011~~, 2013 has more than 10,000 cigarettes or little  
11 cigars or who has \$500.00 or more of wholesale value of roll-your-own  
12 tobacco, for retail sale in his or her possession or control. The amount of the  
13 tax shall be the amount by which the new tax exceeds the amount of the tax  
14 already paid for each cigarette, little cigar, or roll-your-own tobacco in the  
15 possession or control of the wholesaler or retailer at 12:01 a.m. on July 1, ~~2011~~  
16 2013, and on which cigarette stamps have been affixed before July 1, ~~2011~~  
17 2013. A floor stock tax is also imposed on each Vermont cigarette stamp in  
18 the possession or control of the wholesaler at 12:01 a.m. on July 1, ~~2011~~ 2013,  
19 and not yet affixed to a cigarette package, and the tax shall be at the rate of  
20 \$0.38 per stamp. Each wholesaler and retailer subject to the tax shall, on or  
21 before July 25, ~~2011~~ 2013, file a report to the ~~commissioner~~ Commissioner in

1 such form as the ~~commissioner~~ Commissioner may prescribe showing the  
2 cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01  
3 a.m. on July 1, ~~2014~~ 2013, and the amount of tax due thereon. The tax  
4 imposed by this section shall be due and payable on or before July 25, ~~2014~~,  
5 2013 and thereafter shall bear interest at the rate established under section  
6 3108 of this title. In case of timely payment of the tax, the wholesaler or  
7 retailer may deduct from the tax due two and three-tenths of one percent of the  
8 tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to  
9 which a floor stock tax has been imposed under this section shall not again be  
10 subject to tax under section 7771 of this title.

11 Sec. 4. EFFECTIVE DATE

12 This act shall take effect on July 1, 2013.