

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways & Means to which was referred House Bill No. 93  
3 entitled “An act relating to increasing the smoking age from 18 to 21 years of  
4 age” respectfully reports that it has considered the same and recommends that  
5 the bill, as amended by the Committee on Human Services, be further amended  
6 as follows:

7 First: By inserting three new sections to be Secs. 5a–5c to read as follows:

8 Sec. 5a. 32 V.S.A. § 7771(d) is amended to read:

9 (d) The tax imposed under this section shall be at the rate of ~~154~~ 160.5  
10 mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own  
11 tobacco. The interest and penalty provisions of section 3202 of this title shall  
12 apply to liabilities under this section.

13 Sec. 5b. 32 V.S.A. § 7811 is amended to read:

14 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

15 There is hereby imposed and shall be paid a tax on all other tobacco  
16 products, snuff, and new smokeless tobacco possessed in the State of Vermont  
17 by any person for sale on and after July 1, 1959 which were imported into the  
18 State or manufactured in the State after that date, except that no tax shall be  
19 imposed on tobacco products sold under such circumstances that this State is  
20 without power to impose such tax, or sold to the United States, or sold to or by  
21 a voluntary unincorporated organization of the U.S. Armed Forces operating a

1 place for the sale of goods pursuant to regulations promulgated by the  
2 appropriate executive agency of the United States. The tax is intended to be  
3 imposed only once upon the wholesale sale of any other tobacco product and  
4 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
5 except snuff, which shall be taxed at ~~\$2.57~~ \$2.68 per ounce, or fractional part  
6 thereof, new smokeless tobacco, which shall be taxed at the greater of  
7 ~~\$2.57~~ \$2.68 per ounce or, if packaged for sale to a consumer in a package that  
8 contains less than 1.2 ounces of the new smokeless tobacco, at the rate of  
9 ~~\$3.08~~ \$3.21 per package, and cigars with a wholesale price greater than \$2.17,  
10 which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the  
11 cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per  
12 cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however,  
13 that upon payment of the tax within 10 days, the distributor or dealer may  
14 deduct from the tax two percent of the tax due. It shall be presumed that all  
15 other tobacco products, snuff, and new smokeless tobacco within the State are  
16 subject to tax until the contrary is established and the burden of proof that any  
17 other tobacco products, snuff, and new smokeless tobacco are not taxable  
18 hereunder shall be upon the person in possession thereof. Licensed  
19 wholesalers of other tobacco products, snuff, and new smokeless tobacco shall  
20 state on the invoice whether the price includes the Vermont tobacco  
21 products tax.

1 Sec. 5c. 32V.S.A. § 7814 is amended to read:

2 § 7814. FLOOR STOCK TAX

3 (a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of  
4 snuff in this State in the amount by which the new tax exceeds the amount of  
5 the tax already paid on the snuff. The tax shall apply to snuff in the possession  
6 or control of the retail dealer at 12:01 a.m. on ~~July 1, 2015~~ January 1, 2017, but  
7 shall not apply to retail dealers who hold less than \$500.00 in wholesale value  
8 of such snuff. Each retail dealer subject to the tax shall, on or before ~~July 25,~~  
9 ~~2015~~ January 25, 2017, file a report to the Commissioner in such form as the  
10 Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on  
11 ~~July 1, 2015~~ January 1, 2017, and the amount of tax due thereon. The tax  
12 imposed by this section shall be due and payable on or before ~~August 25, 2015~~  
13 February 25, 2017, and thereafter shall bear interest at the rate established  
14 under section 3108 of this title. In case of timely payment of the tax, the retail  
15 dealer may deduct from the tax due two percent of the tax. Any snuff with  
16 respect to which a floor stock tax has been imposed and paid under this section  
17 shall not again be subject to tax under section 7811 of this title.

18 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding  
19 the prohibition against further tax on stamped cigarettes, little cigars, or  
20 roll-your-own tobacco under section 7771 of this title, a floor stock tax is  
21 hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own

1 tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m.  
2 on ~~July 1, 2015~~ January 1, 2017, has more than 10,000 cigarettes or little cigars  
3 or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for  
4 retail sale in his or her possession or control. The amount of the tax shall be  
5 the amount by which the new tax exceeds the amount of the tax already paid  
6 for each cigarette, little cigar, or roll-your-own tobacco in the possession or  
7 control of the wholesaler or retail dealer at 12:01 a.m. on ~~July 1, 2015~~  
8 January 1, 2017, and on which cigarette stamps have been affixed before  
9 ~~July 1, 2015~~ January 1, 2017. A floor stock tax is also imposed on each  
10 Vermont cigarette stamp in the possession or control of the wholesaler at 12:01  
11 a.m. on ~~July 1, 2015~~ January 1, 2017, and not yet affixed to a cigarette  
12 package, and the tax shall be at the rate of ~~\$0.33~~ \$0.13 per stamp. Each  
13 wholesaler and retail dealer subject to the tax shall, on or before ~~July 25, 2015~~  
14 January 25, 2017, file a report to the Commissioner in such form as the  
15 Commissioner may prescribe showing the cigarettes, little cigars, or  
16 roll-your-own tobacco and stamps on hand at 12:01 a.m. on ~~July 1, 2015~~  
17 January 1, 2017, and the amount of tax due thereon. The tax imposed by this  
18 section shall be due and payable on or before ~~July 25, 2015~~ February 25, 2017,  
19 and thereafter shall bear interest at the rate established under section 3108 of  
20 this title. In case of timely payment of the tax, the wholesaler or retail dealer  
21 may deduct from the tax due two and three-tenths of one percent of the tax.

1 Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a  
2 floor stock tax has been imposed under this section shall not again be subject  
3 to tax under section 7771 of this title.

4 Second: By inserting three new sections to be Secs. 10a–10c to read as  
5 follows:

6 Sec. 10a. 32 V.S.A. § 7771(d) is amended to read:

7 (d) The tax imposed under this section shall be at the rate of ~~160.5~~ 167  
8 mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own  
9 tobacco. The interest and penalty provisions of section 3202 of this title shall  
10 apply to liabilities under this section.

11 Sec. 10b. 32 V.S.A. § 7811 is amended to read:

12 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

13 There is hereby imposed and shall be paid a tax on all other tobacco  
14 products, snuff, and new smokeless tobacco possessed in the State of Vermont  
15 by any person for sale on and after July 1, 1959 which were imported into the  
16 State or manufactured in the State after that date, except that no tax shall be  
17 imposed on tobacco products sold under such circumstances that this State is  
18 without power to impose such tax, or sold to the United States, or sold to or by  
19 a voluntary unincorporated organization of the U.S. Armed Forces operating a  
20 place for the sale of goods pursuant to regulations promulgated by the  
21 appropriate executive agency of the United States. The tax is intended to be

1 imposed only once upon the wholesale sale of any other tobacco product and  
2 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
3 except snuff, which shall be taxed at ~~\$2.68~~ \$2.78 per ounce, or fractional part  
4 thereof, new smokeless tobacco, which shall be taxed at the greater of  
5 ~~\$2.68~~ \$2.78 per ounce or, if packaged for sale to a consumer in a package that  
6 contains less than 1.2 ounces of the new smokeless tobacco, at the rate of  
7 ~~\$3.21~~ \$3.34 per package, and cigars with a wholesale price greater than \$2.17,  
8 which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the  
9 cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per  
10 cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however,  
11 that upon payment of the tax within 10 days, the distributor or dealer may  
12 deduct from the tax two percent of the tax due. It shall be presumed that all  
13 other tobacco products, snuff, and new smokeless tobacco within the State are  
14 subject to tax until the contrary is established and the burden of proof that any  
15 other tobacco products, snuff, and new smokeless tobacco are not taxable  
16 hereunder shall be upon the person in possession thereof. Licensed  
17 wholesalers of other tobacco products, snuff, and new smokeless tobacco shall  
18 state on the invoice whether the price includes the Vermont tobacco  
19 products tax.

1 Sec. 10c. 32V.S.A. § 7814 is amended to read:

2 § 7814. FLOOR STOCK TAX

3 (a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of  
4 snuff in this State in the amount by which the new tax exceeds the amount of  
5 the tax already paid on the snuff. The tax shall apply to snuff in the possession  
6 or control of the retail dealer at 12:01 a.m. on January 1, ~~2017~~ 2018, but shall  
7 not apply to retail dealers who hold less than \$500.00 in wholesale value of  
8 such snuff. Each retail dealer subject to the tax shall, on or before January 25,  
9 ~~2017~~ 2018, file a report to the Commissioner in such form as the  
10 Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on  
11 January 1, ~~2017~~ 2018, and the amount of tax due thereon. The tax imposed by  
12 this section shall be due and payable on or before February 25, ~~2017~~ 2018, and  
13 thereafter shall bear interest at the rate established under section 3108 of this  
14 title. In case of timely payment of the tax, the retail dealer may deduct from  
15 the tax due two percent of the tax. Any snuff with respect to which a floor  
16 stock tax has been imposed and paid under this section shall not again be  
17 subject to tax under section 7811 of this title.

18 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the  
19 prohibition against further tax on stamped cigarettes, little cigars, or  
20 roll-your-own tobacco under section 7771 of this title, a floor stock tax is  
21 hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own

1 tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m.  
2 on January 1, ~~2017~~ 2018, has more than 10,000 cigarettes or little cigars or  
3 who has \$500.00 or more of wholesale value of roll-your-own tobacco, for  
4 retail sale in his or her possession or control. The amount of the tax shall be  
5 the amount by which the new tax exceeds the amount of the tax already paid  
6 for each cigarette, little cigar, or roll-your-own tobacco in the possession or  
7 control of the wholesaler or retail dealer at 12:01 a.m. on January 1, ~~2017~~  
8 2018, and on which cigarette stamps have been affixed before January 1, ~~2017~~  
9 2018. A floor stock tax is also imposed on each Vermont cigarette stamp in the  
10 possession or control of the wholesaler at 12:01 a.m. on January 1, ~~2017~~ 2018,  
11 and not yet affixed to a cigarette package, and the tax shall be at the rate of  
12 \$0.13 per stamp. Each wholesaler and retail dealer subject to the tax shall, on  
13 or before January 25, ~~2017~~ 2018, file a report to the Commissioner in such  
14 form as the Commissioner may prescribe showing the cigarettes, little cigars,  
15 or roll-your-own tobacco and stamps on hand at 12:01 a.m. on January 1, ~~2017~~  
16 2018, and the amount of tax due thereon. The tax imposed by this section shall  
17 be due and payable on or before January 25, ~~2017~~ 2018, and thereafter shall  
18 bear interest at the rate established under section 3108 of this title. In case of  
19 timely payment of the tax, the wholesaler or retail dealer may deduct from the  
20 tax due two and three-tenths of one percent of the tax. Any cigarettes, little  
21 cigars, or roll-your-own tobacco with respect to which a floor stock tax has



1       been imposed under this section shall not again be subject to tax under section  
2       7771 of this title.

3       Third: By inserting three new sections to be Secs. 15a–15c to read as  
4       follows:

5       Sec. 15a. 32 V.S.A. § 7771(d) is amended to read:

6       (d) The tax imposed under this section shall be at the rate of ~~167~~ 173.5  
7       mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own  
8       tobacco. The interest and penalty provisions of section 3202 of this title shall  
9       apply to liabilities under this section.

10      Sec. 15b. 32 V.S.A. § 7811 is amended to read:

11      § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

12      There is hereby imposed and shall be paid a tax on all other tobacco  
13      products, snuff, and new smokeless tobacco possessed in the State of Vermont  
14      by any person for sale on and after July 1, 1959 which were imported into the  
15      State or manufactured in the State after that date, except that no tax shall be  
16      imposed on tobacco products sold under such circumstances that this State is  
17      without power to impose such tax, or sold to the United States, or sold to or by  
18      a voluntary unincorporated organization of the U.S. Armed Forces operating a  
19      place for the sale of goods pursuant to regulations promulgated by the  
20      appropriate executive agency of the United States. The tax is intended to be  
21      imposed only once upon the wholesale sale of any other tobacco product and

1 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
2 except snuff, which shall be taxed at ~~\$2.78~~ \$2.89 per ounce, or fractional part  
3 thereof, new smokeless tobacco, which shall be taxed at the greater of  
4 ~~\$2.78~~ \$2.89 per ounce or, if packaged for sale to a consumer in a package that  
5 contains less than 1.2 ounces of the new smokeless tobacco, at the rate of  
6 ~~\$3.34~~ \$3.47 per package, and cigars with a wholesale price greater than \$2.17,  
7 which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the  
8 cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per  
9 cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however,  
10 that upon payment of the tax within 10 days, the distributor or dealer may  
11 deduct from the tax two percent of the tax due. It shall be presumed that all  
12 other tobacco products, snuff, and new smokeless tobacco within the State are  
13 subject to tax until the contrary is established and the burden of proof that any  
14 other tobacco products, snuff, and new smokeless tobacco are not taxable  
15 hereunder shall be upon the person in possession thereof. Licensed  
16 wholesalers of other tobacco products, snuff, and new smokeless tobacco shall  
17 state on the invoice whether the price includes the Vermont tobacco  
18 products tax.

1 Sec. 15c. 32V.S.A. § 7814 is amended to read:

2 § 7814. FLOOR STOCK TAX

3 (a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of  
4 snuff in this State in the amount by which the new tax exceeds the amount of  
5 the tax already paid on the snuff. The tax shall apply to snuff in the possession  
6 or control of the retail dealer at 12:01 a.m. on January 1, ~~2018~~ 2019, but shall  
7 not apply to retail dealers who hold less than \$500.00 in wholesale value of  
8 such snuff. Each retail dealer subject to the tax shall, on or before January 25,  
9 ~~2018~~ 2019, file a report to the Commissioner in such form as the  
10 Commissioner may prescribe showing the snuff on hand at 12:01 a.m. on  
11 January 1, ~~2018~~ 2019, and the amount of tax due thereon. The tax imposed by  
12 this section shall be due and payable on or before February 25, ~~2018~~ 2019, and  
13 thereafter shall bear interest at the rate established under section 3108 of this  
14 title. In case of timely payment of the tax, the retail dealer may deduct from  
15 the tax due two percent of the tax. Any snuff with respect to which a floor  
16 stock tax has been imposed and paid under this section shall not again be  
17 subject to tax under section 7811 of this title.

18 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the  
19 prohibition against further tax on stamped cigarettes, little cigars, or  
20 roll-your-own tobacco under section 7771 of this title, a floor stock tax is  
21 hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own

1 tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m.  
2 on January 1, ~~2018~~ 2019, has more than 10,000 cigarettes or little cigars or  
3 who has \$500.00 or more of wholesale value of roll-your-own tobacco, for  
4 retail sale in his or her possession or control. The amount of the tax shall be  
5 the amount by which the new tax exceeds the amount of the tax already paid  
6 for each cigarette, little cigar, or roll-your-own tobacco in the possession or  
7 control of the wholesaler or retail dealer at 12:01 a.m. on January 1, ~~2018~~  
8 2019, and on which cigarette stamps have been affixed before January 1, ~~2018~~  
9 2019. A floor stock tax is also imposed on each Vermont cigarette stamp in  
10 the possession or control of the wholesaler at 12:01 a.m. on January 1, ~~2018~~  
11 2019, and not yet affixed to a cigarette package, and the tax shall be at the rate  
12 of \$0.13 per stamp. Each wholesaler and retail dealer subject to the tax shall,  
13 on or before January 25, ~~2018~~ 2019, file a report to the Commissioner in such  
14 form as the Commissioner may prescribe showing the cigarettes, little cigars,  
15 or roll-your-own tobacco and stamps on hand at 12:01 a.m. on January 1, ~~2018~~  
16 2019, and the amount of tax due thereon. The tax imposed by this section shall  
17 be due and payable on or before January 25, ~~2018~~ 2019, and thereafter shall  
18 bear interest at the rate established under section 3108 of this title. In case of  
19 timely payment of the tax, the wholesaler or retail dealer may deduct from the  
20 tax due two and three-tenths of one percent of the tax. Any cigarettes, little  
21 cigars, or roll-your-own tobacco with respect to which a floor stock tax has

1       been imposed under this section shall not again be subject to tax under section  
2       7771 of this title.

3       Fourth: By striking Sec. 16 (effective dates) in its entirety and inserting in  
4       lieu thereof the following:

5       Sec. 16. EFFECTIVE DATES

6       (a) Secs. 1–5c (increasing smoking age to 19 and increasing tobacco taxes)  
7       and this section shall take effect on January 1, 2017.

8       (b) Secs. 6–10c (increasing smoking age to 20 and increasing tobacco  
9       taxes) shall take effect on January 1, 2018.

10       (c) Secs. 11–15c (increasing smoking age to 21 and increasing tobacco  
11       taxes) shall take effect on January 1, 2019.

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16       (Committee vote: \_\_\_\_\_)

17

Representative \_\_\_\_\_

18

FOR THE COMMITTEE