

1 H.47

2 Senators Cummings, Balint, Brock, Campion, MacDonald, Pearson and
3 Sirotkin move that the Senate propose to the House that the bill be amended by
4 striking out all after the enacting clause and inserting in lieu thereof the
5 following:

6 Sec. 1. 32 V.S.A. § 7702(15) is amended to read:

7 (15) “Other tobacco products” means any product manufactured from,
8 derived from, or containing tobacco that is intended for human consumption by
9 smoking, chewing, or in any other manner, including products sold as a
10 tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids,
11 whether nicotine based or not, or delivery devices sold separately for use with
12 a tobacco substitute; but shall not include cigarettes, little cigars, roll-your-own
13 tobacco, snuff, or new smokeless tobacco as defined in this section.

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

15 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

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

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

1 (b) The tax established in this section shall not be imposed on marijuana-
2 related supplies sold by a dispensary registered under 18 V.S.A. chapter 86 to
3 registered patients and registered caregivers, as those terms are defined in 18
4 V.S.A. § 4472.

5 Sec. 3. 7 V.S.A. § 1001(8) is amended to read:

6 (8) “Tobacco substitute” means products, including electronic cigarettes
7 or other electronic or battery-powered devices, that contain ~~and~~ or are designed
8 to deliver nicotine or other substances into the body through the inhalation of
9 vapor and that have not been approved by the U.S. Food and Drug
10 Administration for tobacco cessation or other medical purposes. Products that
11 have been approved by the U.S. Food and Drug Administration for tobacco
12 cessation or other medical purposes shall not be considered to be tobacco
13 substitutes.

14 Sec. 4. EFFECTIVE DATES

15 (a) Secs. 1 (32 V.S.A. § 7702) and 2 (32 V.S.A. § 7811) shall take effect on
16 July 1, 2019.

17 (b) Sec. 3 (7 V.S.A. § 1001) and this section shall take effect on passage.