

1 H.105

2 Introduced by Representative Till of Jericho

3 Referred to Committee on

4 Date:

5 Subject: Taxation; tobacco taxes; cigarettes

6 Statement of purpose of bill as introduced: This bill proposes to raise the rate  
7 of tax on a pack of cigarettes by \$1.00 per pack and to raise the tax on other  
8 tobacco products, snuff, and new smokeless tobacco products by a  
9 corresponding amount.

10 An act relating to increasing the tobacco tax on cigarettes, other tobacco  
11 products, snuff, and new smokeless tobacco

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

13 Sec. 1. 32 V.S.A. § 7771(d) is amended to read:

14 (d) The tax imposed under this section shall be at the rate of ~~154~~ 204 mills  
15 per cigarette or little cigar and for each 0.0325 ounces of roll-your-own  
16 tobacco. The interest and penalty provisions of section 3202 of this title shall  
17 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 (a) There is hereby imposed and shall be paid a tax on all other tobacco  
4 products, snuff, and new smokeless tobacco possessed in the State of Vermont  
5 by any person for sale on and after July 1, 1959 ~~which~~ that were imported into  
6 the State or manufactured in the State after that date, except that no tax shall be  
7 imposed on tobacco products sold under such circumstances that this State is  
8 without power to impose such tax, or sold to the United States, or sold to or by  
9 a voluntary unincorporated organization of the U.S. Armed Forces operating a  
10 place for the sale of goods pursuant to regulations promulgated by the  
11 appropriate executive agency of the United States. The tax is intended to be  
12 imposed only once upon the wholesale sale of any other tobacco product and  
13 shall be at the rate of 92 percent of the wholesale price for all tobacco products  
14 except snuff, which shall be taxed at ~~\$2.57~~ \$3.40 per ounce, or fractional part  
15 thereof, new smokeless tobacco, which shall be taxed at the greater of ~~\$2.57~~  
16 \$3.40 per ounce or, if packaged for sale to a consumer in a package that  
17 contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~\$3.08~~  
18 \$4.08 per package, and cigars with a wholesale price greater than \$2.17, which  
19 shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is  
20 greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the  
21 wholesale price of the cigar is \$10.00 or more. Provided, however, that upon

1 payment of the tax within 10 days, the distributor or dealer may deduct from  
2 the tax two percent of the tax due. It shall be presumed that all other tobacco  
3 products, snuff, and new smokeless tobacco within the State are subject to tax  
4 until the contrary is established and the burden of proof that any other tobacco  
5 products, snuff, and new smokeless tobacco are not taxable hereunder shall be  
6 upon the person in possession thereof. Licensed wholesalers of other tobacco  
7 products, snuff, and new smokeless tobacco shall state on the invoice whether  
8 the price includes the Vermont tobacco products tax.

9 \* \* \*

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

11 § 7814. FLOOR STOCK TAX

12 (a) Snuff. A floor stock tax is hereby imposed upon every retail dealer of  
13 snuff in this State in the amount by which the new tax exceeds the amount of  
14 the tax already paid on the snuff. The tax shall apply to snuff in the possession  
15 or control of the retail dealer at 12:01 a.m. on July 1, ~~2015~~ 2021; but shall not  
16 apply to retail dealers who hold less than \$500.00 in wholesale value of such  
17 snuff. Each retail dealer subject to the tax shall, on or before July 25, ~~2015~~  
18 2021, file a report to the Commissioner in such form as the Commissioner may  
19 prescribe showing the snuff on hand at 12:01 a.m. on July 1, ~~2015~~ 2021; and  
20 the amount of tax due thereon. The tax imposed by this section shall be due  
21 and payable on or before August 25, ~~2015~~ 2021; and thereafter shall bear

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

6 (b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the  
7 prohibition against further tax on stamped cigarettes, little cigars, or roll-your-  
8 own tobacco under section 7771 of this title, a floor stock tax is hereby  
9 imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco  
10 in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on  
11 July 1, ~~2015~~ 2021, has more than 10,000 cigarettes or little cigars or who has  
12 \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in  
13 his or her possession or control. The amount of the tax shall be the amount by  
14 which the new tax exceeds the amount of the tax already paid for each  
15 cigarette, little cigar, or roll-your-own tobacco in the possession or control of  
16 the wholesaler or retail dealer at 12:01 a.m. on July 1, ~~2015~~ 2021, and on  
17 which cigarette stamps have been affixed before July 1, ~~2015~~ 2021. A floor  
18 stock tax is also imposed on each Vermont cigarette stamp in the possession or  
19 control of the wholesaler at 12:01 a.m. on July 1, ~~2015~~ 2021, and not yet  
20 affixed to a cigarette package, and the tax shall be at the rate of ~~\$0.33~~ \$1.00 per  
21 stamp. Each wholesaler and retail dealer subject to the tax shall, on or before

1 July 25, ~~2015~~ 2021, file a report to the Commissioner in such form as the  
2 Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-  
3 own tobacco and stamps on hand at 12:01 a.m. on July 1, ~~2015~~ 2021, and the  
4 amount of tax due thereon. The tax imposed by this section shall be due and  
5 payable on or before July 25, ~~2015~~ 2021, and thereafter shall bear interest at  
6 the rate established under section 3108 of this title. In case of timely payment  
7 of the tax, the wholesaler or retail dealer may deduct from the tax due two and  
8 three-tenths of one percent of the tax. Any cigarettes, little cigars, or roll-your-  
9 own tobacco with respect to which a floor stock tax has been imposed under  
10 this section shall not again be subject to tax under section 7771 of this title.

11 Sec. 4. EFFECTIVE DATE

12 This act shall take effect on July 1, 2021.