

TOBACCO RELATED PENALTY AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul Ray

Senate Sponsor: Allen M. Christensen

LONG TITLE

General Description:

This bill amends penalty provisions of the Cigarette and Tobacco Tax and Licensing Act.

Highlighted Provisions:

This bill:

⚡→ ▶ permits the Tax Commission to waive, reduce, or compromise certain penalties; ←⚡

▶ provides that a person who fails to timely file certain reports relating to the taxation of tobacco, or who provides false or misleading information on, or in relation to, a report:

- is guilty of a class B misdemeanor; and
- is subject to revocation or suspension of a license and a civil penalty imposed by the commission; and

▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-14-214, as last amended by Laws of Utah 2005, Chapter 204

59-14-407, as last amended by Laws of Utah 2008, Chapter 382



28 **59-14-606**, as enacted by Laws of Utah 2005, Chapter 204

28a **§→ ENACTS:**

28b **59-14-103, Utah Code Annotated 1953 ←§**

29

30 *Be it enacted by the Legislature of the state of Utah:*

30a **§→ Section 1. Section 59-14-103 is enacted to read:**

30b **59-14-103. Waiver or reduction of penalty.**

30c **The commission may, upon making a record of its actions, and upon reasonable cause shown,**

30d **waive, reduce, or compromise any of the penalties or interest imposed under:**

30e **(1) Subsection 59-14-212(4)(b)(ii);**

30f **(2) Subsection 59-14-214(5)(b)(ii);**

30g **(3) Subsection 59-14-407(5)(b)(ii);**

30h **(4) Subsection 59-14-606(7)(b)(ii); or**

30i **(5) Subsection 59-14-608(1)(d). ←§**

31 Section ~~§~~→ [†] ~~(2)~~ ←§ . Section **59-14-214** is amended to read:

32 **59-14-214. Nonparticipating manufacturer equity assessment.**

33 (1) As used in this section, "nonparticipating manufacturer" means a tobacco product
34 manufacturer, as defined in [~~Subsection~~] Section 59-22-202[~~(9)~~], that is not a participating
35 manufacturer within the meaning of Subsection II(jj) of the Master Settlement Agreement, as
36 defined in [~~Subsection~~] Section 59-22-202[~~(5)~~].

37 (2) (a) There is levied an equity assessment, at the rate of 1.75 cents on each cigarette,
38 for all cigarette packages of nonparticipating manufacturers to which a stamp is affixed as
39 required under Section 59-14-205.

40 (b) The equity assessment imposed by this section is in addition to all other
41 assessments, fees, and taxes levied under existing law.

42 (c) The equity assessment imposed by this section shall be paid by affixing a stamp in
43 the manner and at the time described in Section 59-14-205.

44 (d) Except as otherwise provided in this section, the equity assessment shall be
45 collected, paid, administered, and enforced in the same manner as the tax on cigarettes levied
46 by Section 59-14-204.

47 (3) The purposes of this equity assessment are:

48 (a) to recover health care costs to the state imposed by nonparticipating manufacturers;

49 (b) to prevent nonparticipating manufacturers from undermining the state's policy of
50 reducing underage smoking by offering cigarettes for sale substantially below the prices of