

1st Sub. S.B. 40
CIGARETTE AND TOBACCO TAX AMENDMENTS

Senator **Allen M. Christensen** proposes the following amendments:

1. *Page 1, Lines 20 through 23:*

- 20 • for tobacco products, except moist snuff and cigars , from 35% to 86% of the
21 manufacturer's sale price; ~~{and}~~
22 • for moist snuff, from \$.75 to \$1.83 per ounce; and
• for cigars, the lesser of 86% of the manufacturer's sale price or \$10 per cigar;
23 {~~→ allocates money from funds generated by the tax increase described in this bill;~~}
▶ modifies allocation of funds from the Cigarette Tax Restricted Account;

2. *Page 2, Line 34:*

- 34 AMENDS:
59-14-102, as last amended by Laws of Utah 2008, Chapter 204

3. *Page 2, Line 47:*

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

Section 1. Section 59-14-102 is amended to read:

59-14-102. Definitions.

As used in this chapter:

(1) "Cigar" means a roll for smoking made wholly or in part of tobacco:

(a) regardless of:

(i) the size of the roll;

(ii) the shape of the roll; or

(iii) whether the tobacco is:

(A) flavored;

(B) adulterated; or

(C) mixed with any other ingredient; and

(b) that is wrapped in leaf tobacco or any substance or material containing tobacco.

= ~~{(1)}~~ (2) "Cigarette" means a roll for smoking made wholly or in part of tobacco:

(a) regardless of:

(i) the size of the roll;

(ii) the shape of the roll; or

(iii) whether the tobacco is:

- (A) flavored;
 - (B) adulterated; or
 - (C) mixed with any other ingredient; and
- (b) if the wrapper or cover of the roll is made of paper or any other substance or material except tobacco.

~~{(2)}~~ (3) "Consumer" means a person that is not required:

- (a) under Section 59-14-201 to obtain a license under Section 59-14-202; or
- (b) under Section 59-14-301 to obtain a license under Section 59-14-202.

~~{(3)}~~ (4) "Counterfeit cigarette" means:

- (a) a cigarette that has a false manufacturing label; or
- (b) a package of cigarettes bearing a counterfeit tax stamp.

~~{(4)}~~ (5) "Importer" means a person who imports into the United States, either directly or indirectly, a finished cigarette for sale or distribution.

~~{(5)}~~ (6) "Indian tribal entity" means a federally recognized Indian tribe, tribal entity, or any other person doing business as a distributor or retailer of cigarettes on tribal lands located in the state.

~~{(6)}~~ (7) "Manufacturer" means a person who manufactures, fabricates, assembles, processes, or labels a finished cigarette.

~~{(7)}~~ (8) "Moist snuff" means tobacco that is:

- (a) finely:
 - (i) cut;
 - (ii) ground; or
 - (iii) powdered; and
- (b) not intended to be:
 - (i) smoked; or
 - (ii) placed in the nasal cavity.

~~{(8)}~~ (9) "Retailer" means a person that:

- (a) sells or distributes a cigarette to a consumer in the state; or
- (b) intends to sell or distribute a cigarette to a consumer in the state.

~~{(9)}~~ (10) "Stamp" means the indicia required to be placed on a cigarette package that evidences payment of the tax on cigarettes required by Section 59-14-205.

~~{(10)}~~ (11) (a) "Tobacco product" means a product made of, or containing tobacco.

- (b) "Tobacco product" includes moist snuff.
- (c) "Tobacco product" does not include a cigarette.

~~{(11)}~~ (12) "Tribal lands" means land held by the United States in trust for a federally recognized Indian tribe.

4. Page 3, Lines 80 through 87:

80 ~~{(e) \$250,000 of the revenue generated from the tax increase imposed under this section~~
81 ~~during the 2010 General Session shall be annually appropriated to the Department of Health for~~

82 use in the Gold Medal Schools Program.

83 ~~— [(e)] (f) Any balance remaining in the Cigarette Tax Restricted Account at the end of~~
84 ~~the fiscal year shall be appropriated during the next fiscal year for the purposes set forth in~~
85 ~~Subsections (5)(d)(i) through (5)(d)(iii) in proportion to the amount of revenue deposited into~~
86 ~~the account for each purpose. }~~

87 ~~[(f)]~~ ~~{(g)}~~ (e) The Legislature shall give particular consideration to appropriating any

5. Page 4, Line 91:

91 ~~[(g)]~~ ~~{(h)}~~ (f) Any program or entity that receives funding under Subsection (5)(d) ~~{or~~
~~(e)}~~

6. Page 5, Lines 147 through 149:

147 (a) for tobacco products except for moist snuff and cigars , ~~[35% of]~~ .86 multiplied by the
148 manufacturer's sales price; ~~[or]~~ ~~{and}~~

149 (b) subject to Subsection (5), for moist snuff, ~~[\$.75]~~ \$1.83 per ounce ~~{-}~~ ; and

(c) for cigars, the lesser of:

(i) .86 multiplied by the manufacturer's sales price; or

(ii) \$10 per cigar.

Renumber remaining sections accordingly.