

3rd Sub. S.B. 37

ELECTRONIC CIGARETTE AND OTHER NICOTINE PRODUCT AMENDMENTS

SENATE FLOOR AMENDMENTS

AMENDMENT 1

MARCH 4, 2020 3:51 PM

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

1. *Page 2, Lines 37 through 42:*

37 packages that the products contain nicotine;

► creates a reduction on certain tax rates for products that are issued a modified risk tobacco product order by the United States Food and Drug Administration;

38 ► imposes licensing and bonding requirements on a person that sells or distributes an
39 electronic cigarette product or a nicotine product;

40 ► imposes an excise tax on the sale in the state of an electronic cigarette substance, a
41 prefilled electronic cigarette, **and** an alternative nicotine product {~~, a nontherapeutic~~

42 ~~nicotine device substance, and a prefilled nontherapeutic nicotine device~~ } ;

2. *Page 4, Line 105:*

105 26A-1-129, Utah Code Annotated 1953

59-14-104, Utah Code Annotated 1953

3. *Page 45, Line 1361:*

1361 recognized Indian tribe.

Section 28. Section 59-14-104 is enacted to read:

Section 59-14-104. Rate reduction for modified risk tobacco products.

(1) Beginning July 1, 2021, the tax imposed under this chapter is reduced in accordance with Subsection (2):

(a) on the first day of a calendar quarter; and

(b) after a 90-day period beginning on the day on which the commission receives a notice from the manufacturer of a product that has received a modified risk tobacco product order from the United States Food and Drug Administration.

(2) The tax imposed under this chapter is reduced in accordance with Subsection (1) by:

(a) 50% for any product that is issued a modified risk tobacco product order under 21 U.S.C. Sec. 387k(g)(1); and

(b) 25% for any product that is issued a modified risk tobacco product order under 21 U.S.C. Sec. 387k(g)(2).

Renumber remaining sections accordingly.

4. *Page 51, Line 1572 through Page 52, Line 1577:*

1572 (b) Beginning on July 1, 2021, a tax is imposed upon ~~{the following:}~~
1573 ~~{(i)}~~ an alternative nicotine product ~~{:}~~ .
1574 ~~{(ii) a nontherapeutic nicotine device substance; and}~~
1575 ~~{(iii) a prefilled nontherapeutic nicotine device.}~~
1576 (2) (a) The amount of tax levied under Subsection (1) (a) is ~~{-.56}~~ .86 multiplied by the
1577 manufacturer's sales price.

(b) (i) The tax described in Subsection (1)(b) on an alternative nicotine product is imposed:
(A) at a rate of \$1.83 per ounce; and
(B) on the basis of the net weight of the alternative nicotine product as listed by the manufacturer.
(ii) If the net weight of the alternative nicotine product is in a quantity that is a fractional part of one
ounce, a proportionate amount of the tax described in Subsection (2)(b)(i)(A) is imposed:
(A) on that fractional part of one ounce; and
(B) in accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act.

5. Page 56, Line 1701:

1701 Subsection (3) ~~{(e)}~~ (d) to issue grants under the Electronic Cigarette, Marijuana, and Other Drug