

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Prevent and Treat Cancer in Maine by Providing a Source of Funding for a Comprehensive Cancer Prevention Program

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA §4403, as amended by PL 2005, c. 627, §§8 and 9, is repealed.

Sec. 2. 36 MRSA §4403-A is enacted to read:

§ 4403. Tax on tobacco products

1. Rate of tax on tobacco products. Beginning September 1, 2008, a tax at the rate of \$1 per ounce is imposed on:

- A. Smokeless tobacco, including chewing tobacco and snuff;
- B. Cigars;
- C. Pipe tobacco; and
- D. Other tobacco intended for smoking.

2. Imposition. The tax is imposed at the time the distributor brings or causes to be brought into this State tobacco products that are for sale to consumers or to retailers or for use or at the time tobacco products are manufactured or fabricated in this State for sale in this State.

3. Exclusion. The tax imposed on tobacco products does not apply to those products exported from this State or to any tobacco products that under laws of the United States may not be subject to taxation by this State.

Sec. 3. 36 MRSA §4404, 2nd ¶, as amended by PL 2007, c. 438, §102, is further amended to read:

The return must include further information as the assessor may prescribe and must show a credit for any tobacco products exempted as provided in section 4403~~4403-A~~. Records must be maintained to substantiate the exemption. Tax previously paid on tobacco products that are returned to a manufacturer because the product has become unfit for use, sale or consumption may be taken as a credit on a subsequent return upon receipt of the credit notice from the original supplier.

Sec. 4. 36 MRSA §4404, 3rd ¶, as enacted by PL 2005, c. 627, §10, is amended to read:

A person who is not a distributor licensed pursuant to this chapter who imports, receives or otherwise acquires tobacco products for use or consumption in the State from a person other than a licensed distributor shall file, on or before the last day of the month following each month in which tobacco products were acquired, a return on a form prescribed by the assessor together with payment of the tax

imposed by this chapter at the rate provided in section ~~4403~~4403-A. The return must report the quantity of tobacco products imported, received or otherwise acquired from a person other than a licensed distributor or retailer during the previous calendar month and additional information the assessor may require.

Sec. 5. Appropriations and allocations. The following appropriations and allocations are made.

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)

Comprehensive Cancer Screening, Detection and Prevention Fund Z054

Initiative: Provides funds to fund the comprehensive cancer screening, detection and prevention program.

OTHER SPECIAL REVENUE FUNDS	2007-08	2008-09
All Other	\$0	\$1,800,000
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$1,800,000

Sec. 6. Effective date. Those sections of this Act that repeal the Maine Revised Statutes, Title 36, section 4403, enact section 4403-A and amend Title 36, section 4404 take effect September 1, 2008.

SUMMARY

Public Law 2007, chapter 341 required the Department of Health and Human Services, Bureau of Health to implement a comprehensive cancer screening, detection and prevention program and provided a base appropriation of \$500 each fiscal year for the 2008-2009 biennium.

This bill increases the tax on tobacco products, such as smokeless tobacco, cigars and pipe tobacco, to a flat rate of \$1 per ounce beginning September 1, 2008 and appropriates an additional \$1,800,000 in fiscal year 2008-09 to the comprehensive cancer screening, detection and prevention program.