

## 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

**Legislative Document** 

No. 536

H.P. 419

House of Representatives, February 15, 2011

An Act To Help Deter Youth Smoking and To Help Smokers Quit

(EMERGENCY)

Reference to the Committee on Taxation suggested and ordered printed.

HEATHER J.R. PRIEST Clerk

Month & Fruit

Presented by Representative FLEMINGS of Bar Harbor. Cosponsored by Senator ALFOND of Cumberland and

Representatives: BERRY of Bowdoinham, BRYANT of Windham, DILL of Cape Elizabeth,

EVES of North Berwick, ROCHELO of Biddeford, SANBORN of Gorham, Senator:

CRAVEN of Androscoggin.

1 2	<b>Emergency preamble. Whereas,</b> acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and
3 4 5	<b>Whereas,</b> this legislation needs to take effect before the expiration of the 90-day period in order to help prevent tobacco use by children and help smokers quit smoking; and
6 7 8 9	<b>Whereas,</b> in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,
10	Be it enacted by the People of the State of Maine as follows:
11 12	<b>Sec. 1. 36 MRSA §4365,</b> as amended by PL 2005, c. 457, Pt. AA, §1 and affected by §8, is further amended to read:
13	§4365. Rate of tax
14 15 16	A tax is imposed on all cigarettes imported into this State or held in this State by any person for sale at the rate of 100 175 mills for each cigarette. Payment of the tax is evidenced by the affixing of stamps to the packages containing the cigarettes.
17 18	<b>Sec. 2. 36 MRSA §4365-F,</b> as enacted by PL 2005, c. 457, Pt. AA, §3 and affected by §8, is repealed.
19	Sec. 3. 36 MRSA §4365-G is enacted to read:
20	§4365-G. Application of cigarette tax rate increase effective July 1, 2011
21	The following provisions apply to cigarettes held for resale on July 1, 2011.
22 23	1. Stamped rate. Cigarettes stamped at the rate of 100 mills per cigarette and held for resale after June 30, 2011 are subject to tax at the rate of 175 mills per cigarette.
24 25 26 27 28	2. Liability. A person possessing cigarettes for resale is liable for the difference between the tax rate of 175 mills per cigarette and the tax rate of 100 mills per cigarette in effect before July 1, 2011. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of July 1, 2011, except that cigarettes held in vending machines as of that date do not require that stamp.
29 30 31 32 33	3. Vending machines. Notwithstanding any other provision of this chapter, it is presumed that all cigarette vending machines are filled to capacity on July 1, 2011 and that the tax imposed by this section must be reported on that basis. A credit against this inventory tax must be allowed for cigarettes stamped at the rate of 175 mills per cigarette placed in vending machines before July 1, 2011.
34 35	<b>4. Payment.</b> Payment of the tax imposed by this section must be made to the assessor by September 1, 2011, accompanied by forms prescribed by the assessor.

1 2	<b>Sec. 4. 36 MRSA §4366-A, sub-§2, ¶D,</b> as amended by PL 2007, c. 438, §93, is further amended to read:
3	D. For stamps at the face value of $\frac{100}{175}$ mills, the discount rate is $\frac{1.15\%}{.75\%}$ .
4 5	<b>Sec. 5. Appropriations and allocations.</b> The following appropriations and allocations are made.
6	HEALTH AND HUMAN SERVICES, DEPARTMENT OF
7	Health - Bureau of 0143
8	Initiative: Provides funds for tobacco treatment counseling by a tobacco help line.
9	
10 11 12	OTHER SPECIAL REVENUE FUNDS 2011-12 2012-13   All Other \$800,000 \$400,000
13	OTHER SPECIAL REVENUE FUNDS TOTAL \$800,000 \$400,000
14 15	<b>Emergency clause.</b> In view of the emergency cited in the preamble, this legislation takes effect July 1, 2011.
16	SUMMARY
17 18 19 20	This bill increases the cigarette tax by \$1.50 per package, from \$2.00 to \$3.50, to help deter the initial use of tobacco by youth. It includes an appropriations and allocations section to fund operation of a tobacco help line to provide those tobacco users seeking to quit smoking a mechanism to do so.