

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document

No. 1418

H.P. 1007

House of Representatives, April 26, 1995

**An Act to Fund Drug Abuse Resistance Education (DARE) by Increasing
the Tobacco Tax by 1.5 Mills.**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BUNKER of Kossuth Township. (By Request)
Cosponsored by Representatives: BAILEY of Township 27, CLARK of Millinocket,
GOOLEY of Farmington, WATSON of Farmingdale, WHEELER of Bridgewater.

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

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Sec. 1. 36 MRSA §4365, as amended by PL 1989, c. 588, Pt. D, §1, is further amended to read:

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§4365. Rate of tax

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A tax is imposed on all cigarettes held in this State by any person for sale, the tax to be at the rate of 15.5 mills for each cigarette beginning October 1, 1989; 16.5 mills for each cigarette beginning January 1, 1991; and 18.5 mills for each cigarette beginning July 1, 1991; and 20 mills per cigarette beginning January 1, 1996. Payment of the tax ~~shall--be~~ is evidenced by the affixing of stamps to the packages containing the cigarettes. If a federal program similar to that provided in Title 22, section 3185, becomes effective, this tax is reduced by one mill for each cigarette. The Governor shall determine by proclamation when the federal program has become effective. Nothing contained in this chapter ~~shall~~ may be construed to impose a tax on any transaction, the taxation of which by this State is prohibited by the Constitution of the United States.

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Each unclassified importer shall, within 24 hours after receipt of any unstamped cigarettes in this State, notify the State Tax Assessor of the number of cigarettes received, and the name and address of consignor. The State Tax Assessor ~~thereupon~~ shall then notify the unclassified importer of the amount of the tax due ~~thereon~~, which ~~shall~~ must be at the same rate as for cigarettes held in this State by any person for sale. Payment of the amount due the State ~~shall~~ must be made within 10 days from the mailing date of the notice thereof.

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Sec. 2. 36 MRSA §4365-D is enacted to read:

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§4365-D. Rate of tax after January 1, 1996

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Cigarettes that have been stamped at the rate of 18.5 mills for each cigarette that are held for resale by any person after January 1, 1996 are subject to tax at the rate of 20 mills for each cigarette.

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Any person holding cigarettes for resale is liable for the difference between the 20 mills for each cigarette tax rate and the 18.5 mills for each cigarette tax rate in effect before January 1, 1996. Stamps evidencing payment of the tax imposed by this section must be affixed to all packages of cigarettes held as of January 1, 1996 for resale, except that cigarettes held in vending machines as of January 1, 1996 need not be so stamped.

