

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

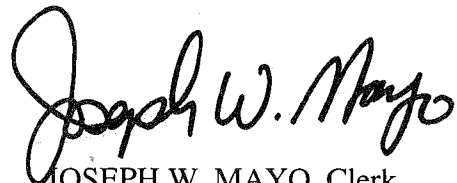
No. 1211

H.P. 894

House of Representatives, February 25, 1997

**An Act to Reduce Teenage Smoking by Increasing the Tax on Cigarettes
to Fund an Advertising Campaign.**

Reference to the Committee on Taxation suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative MURPHY of Kennebunk.
Cosponsored by Senator KILKELLY of Lincoln and
Representatives: CAMPBELL of Holden, DEXTER of Kingfield, FARNSWORTH of
Portland, GOOLEY of Farmington, LOVETT of Scarborough, PERKINS of Penobscot,
USHER of Westbrook, WINGLASS of Auburn.

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

Sec. 1. 22 MRSA §1556-B is enacted to read:

§1556-B. Advertising campaign

The department shall contract with one or more qualified agencies for production of an ongoing advertising campaign or campaigns aimed at teenagers with the goal of reducing teenage smoking. Any media campaign funded under this chapter must stress the importance of preventing the initiation and continuation of tobacco use by teenagers. Broadcast media advertisements must be aired at times most likely to reach teenagers. Print media advertisements must be placed in publications most likely to appeal to teenagers. The advertising campaign must be funded by the tax on cigarettes as provided in Title 36, section 4365-D.

Sec. 2. 36 MRSA §4365, first ¶, as amended by PL 1989, c. 588, Pt. D, §1, is further amended to read:

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 30 mills for each cigarette beginning October 1, 1997. Payment of the tax shall must be 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.

Sec. 3. 36 MRSA §4365-D is enacted to read:

§4365-D. Rate of tax after October 1, 1997

Cigarettes that have been stamped at the rate of 18.5 mills for each cigarette that is held for resale by any person after October 1, 1997 are subject to tax at the rate of 30 mills for each cigarette.

Any person holding cigarettes for resale is liable for the difference between the 30 mills for each cigarette tax rate and the 18.5 mills for each cigarette tax rate in effect prior to October 1, 1997. Stamps evidencing payment of the tax imposed by this section must be affixed to all packages of cigarettes held

2 as of October 1, 1997 for resale, except that cigarettes held in
vending machines as of October 1, 1997 need not be so stamped.

4 Notwithstanding any other provision of this chapter, it is
6 presumed that all cigarette vending machines are filled to
8 capacity on October 1, 1997 and the tax imposed by this section
10 must be reported on that basis. A credit against this inventory
12 tax is allowed for cigarettes stamped at the 30-mill rate placed
14 in vending machines before October 1, 1997.

16 Payment of the tax imposed by this section must be made to
18 the State Tax Assessor before November 15, 1997 and it must be
20 accompanied by forms prescribed by the State Tax Assessor.

SUMMARY

18 This bill directs the Department of Human Services to carry
20 out an ongoing advertising campaign aimed at the prevention and
cessation of tobacco use by teenagers. The program is funded by
a cigarette tax increase of \$.25 per pack.