

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 263

H.P. 185

House of Representatives, January 11, 1999

An Act to Increase the Cigarette Tax 63 Cents Per Pack.

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 GAGNON of Waterville.
Cosponsored by Senator PINGREE of Knox and
Representatives: BAGLEY of Machias, COWGER of Hallowell, KANE of Saco,
MATTHEWS of Winslow, TESSIER of Fairfield, TOWNSEND of Portland.

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

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4 **Sec. 2. 36 MRSA §4365**, as amended by PL 1997, c. 643, Pt. T, §3 and affected by §6 and c. 750, Pt. D, §1, is repealed and the following enacted in its place:

6 **§4365. Rate of tax**

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10 **1. Tax beginning November 1, 1997.** Beginning November 1, 1997, as a public health measure, the tax imposed under this section is 37 mills per cigarette.

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14 **2. Tax beginning November 1, 1999.** Beginning November 1, 1999, the tax imposed under this section is 68.5 mills per cigarette.

16 **Sec. 3. 36 MRSA §4365-E** is enacted to read:

18 **§4365-E. Rate of tax beginning November 1, 1999**

20 Beginning November 1, 1999, the following provisions apply to cigarettes held for resale on that date.

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24 **1. Stamped rate.** Cigarettes stamped at the rate of 37 mills per cigarette and held for resale after October 31, 1999 are subject to tax at the rate of 68.5 mills per cigarette.

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28 **2. Liability.** A person possessing cigarettes for resale is liable for the difference between the tax rate of 68.5 mills per cigarette and the tax rate of 37 mills per cigarette in effect before November 1, 1999. Stamps indicating payment of the tax imposed by this section must be affixed to all packages of cigarettes held for resale as of November 1, 1999, except that cigarettes held in vending machines as of that date do not require that stamp.

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34 **3. Vending machines.** Notwithstanding any other provisions of this chapter, it is presumed that all cigarette vending machines are filled to capacity on November 1, 1999 and 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 68.5 mill rate placed in vending machines before November 1, 1999.

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42 **4. Payment.** Payment of the tax imposed by this section must be made to the State Tax Assessor by February 1, 2000, accompanied by forms prescribed by the assessor.

SUMMARY

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4 This bill increases the cigarette tax by 31.5 mills per
cigarette or 63 cents per 20-cigarette pack.