

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

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Legislative Document

No. 1818

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H.P. 1361

House of Representatives, May 31, 2001

**An Act to Ensure Retailer Compliance with the Tax on Tobacco Products.**

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Reported by Representative GREEN for the Joint Standing Committee on Taxation  
pursuant to Joint Order 2001, H.P. 1344.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

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

2           **Sec. 1. 36 MRSA §4402**, as amended by PL 1997, c. 526, §14, is  
4 further amended to read:

6           **§4402. Licenses**

8           Every person engaging in the business of selling tobacco  
10 products as a distributor, or as a retailer that brings into this  
12 State or causes to be brought into this State tobacco products  
14 upon which the tax imposed by this chapter has not been paid,  
16 shall ~~secure~~ obtain a license from the ~~tax-assessor~~ State Tax  
18 Assessor before engaging in that business. Every license  
20 application shall must be made on a form prescribed by the ~~tax~~  
22 assessor and shall must state the name and address of the  
24 applicant, ~~the~~ the applicant's principal place of  
26 business, and such other information as the ~~tax~~ assessor may  
28 require for the proper administration of this chapter. The  
30 application shall must be accompanied by a fee of \$25, except  
that ~~there shall be no~~ a fee is not required for distributors or  
unclassified importers licensed under chapter 703. A person  
without outside the State who ships or transports tobacco  
products to retailers in this State shall make application as a  
distributor and be granted by the ~~tax~~ assessor a license subject  
to all the provisions of this chapter and agree, upon applying  
for a license, to submit ~~his~~ that person's books, accounts and  
records to examination by the ~~Bureau of Revenue Services~~ bureau  
during reasonable business hours, and to accept service of  
process by mail when service is made in any proceeding involving  
enforcement of this chapter.

32           Each unclassified importer before importing, receiving or  
34 acquiring tobacco products from ~~without~~ outside the State shall  
36 ~~secure~~ obtain a license from the ~~tax--assessor~~ State Tax  
Assessor. There shall ~~be~~ is no fee for that license.

38           Each A license issued shall ~~expire~~ pursuant to this section  
40 expires on July 31st of each year unless sooner revoked by the  
42 ~~tax--assessor~~ State Tax Assessor. The license shall must be  
prominently displayed on the premises covered by the license and  
~~no license~~ may not be transferred to any other person.

44           The ~~tax--assessor~~ State Tax Assessor may revoke or suspend  
46 the license or licenses of any person for violation of this  
48 chapter applicable to the sale of tobacco products. ~~No~~ A license  
may not be revoked, canceled or suspended until after notice and  
hearing by the ~~tax~~ assessor.

50           **Sec. 2. 36 MRSA §4403, sub-§3**, as enacted by PL 1985, c. 783,  
§16, is amended to read:



2 pay the tax on those tobacco products will result in increases in  
General Fund revenue totalling \$55,251 in fiscal year 2001-02 and  
\$84,244 in fiscal year 2002-03.

4  
6 The increased collections of the tobacco products tax will  
increase General Fund revenue by \$53,040 and \$79,950 in fiscal  
years 2001-02 and 2002-03, respectively. General Fund revenue  
8 from the issuance of new tobacco products licenses will increase  
by \$500 annually beginning in fiscal year 2001-02.

10  
12 The bill will increase sales and use tax collections by  
\$1,803 in fiscal year 2001-02 and \$3,998 in fiscal year 2002-03.  
14 The increase of these tax collections will increase the amounts  
transferred to the Local Government Fund for state-municipal  
revenue sharing in those years by \$92 and \$204, respectively.  
16 The resulting net increase of General Fund revenue will be \$1,711  
in fiscal year 2001-02 and \$3,794 in fiscal year 2002-03.

## 20 SUMMARY

22 This bill clarifies the obligation of retailers that bring  
tobacco products into the State on which a tax has not been paid  
24 to obtain a license and report and pay the tax on those tobacco  
products.