

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

NINETY - SECOND LEGISLATURE

Legislative Document

No. 1252

HOUSE AMENDMENT J TO H. P. 1528, L. D. 1245

House of Representatives, July 22, 1946

Filed with the Clerk of the House at 9:23 P. M., July 22, 1946, pursuant to unanimous consent agreement and printed by direction of the Clerk pursuant to House Rules. To be presented by Mr. Carpenter of Augusta.

HARVEY R. PEASE, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-SIX

House Amendment "J" to H. P. 1528, L. D. 1245, Bill "An Act Providing for the Payment of a Bonus to or Insurance Premiums for Maine Veterans of World War II and for the Payment of Other Veterans' Benefits and to Provide for Such Payments by a Sales Tax."

Amend said Bill by striking out the title thereof and inserting in place thereof the following:

'An Act Providing for the Payment of a Bonus to or Insurance Premiums for Maine Veterans of World War II and for the Payment of Other Veterans' Benefits and to Provide for Such Payments by a Tax on Cigarettes and Liquor.'

Further amend said Bill by striking out the 2nd sentence of Section 1 of Title V thereof and inserting in place thereof the following:

'Such bonds or notes shall be designated "Maine Military Service Loan, Act of 1946.", shall mature not more than 20 years from the date thereof, and shall bear such rate of interest, and be in such form and on such terms and conditions, other than those herein specified, as the governor and council may determine.'

Further amend said Bill by striking out the 2nd sentence of Section 2 of Title V thereof and substituting in place thereof the following:

'Beginning April 1, 1947 and for each and every succeeding year for 19 years, there shall be raised from such taxes a sum sufficient for the redemption of such bonds or notes to an amount not exceeding \$800,000 per year and such additional sum as may be required for the payment of interest on all such bonds or notes outstanding.'

Further amend said Bill by striking out all of that part designated as Title VI and inserting in place thereof the following:

TITLE VI

Cigarette Tax

Sec. 1. R. S., c. 14, § 186, amended. Section 186 of chapter 14 of the revised statutes, as amended by section 1 of chapter 89 of the public laws of 1945, is hereby further amended by adding at the end thereof a new paragraph to read as follows:

'**"Unclassified importer"** shall mean any person, firm, corporation or association within the state, other than a licensed distributor, subjobber or dealer as defined, who shall import, receive or acquire from without the state, cigarettes for use or consumption within the state.'

Sec. 2. R. S., c. 14, § 187, amended. Section 187 of chapter 14 of the revised statutes is hereby amended to read as follows:

'Sec. 187. Dealers, unclassified importers and distributors to be licensed. Each person engaging in the business of selling cigarettes in this state, including any distributor or dealer, shall secure a license from the tax assessor before engaging in such business. A separate application and license shall be required for each wholesale outlet and for each retail outlet when a person shall own or control more than one place of business dealing in cigarettes. Each vending machine shall be considered a retail outlet. Such license shall be issued on forms prescribed by the assessor, and shall contain the name and address of the applicant, the address of the place of business, and such other information as the assessor may require for the proper administration of the provisions of sections 186 to 205, inclusive. Each applicant for a wholesale outlet license shall be accompanied by a fee of \$25 and each such application for a retail outlet license shall be accompanied by a fee of \$1. Each license so issued shall be prominently displayed on the premises covered by the license and in

the case of vending machines there shall be attached to the same a disc or marker to be furnished by the assessor showing it to have been licensed. **Each unclassified importer shall, before importing, receiving or acquiring cigarettes from without the state, secure a license from the tax assessor. Each application for an unclassified importer's license shall be accompanied by a fee of \$25.** Any person who shall sell, offer for sale, or possess with intent to sell any cigarettes, without a license as provided in this section, shall be punished by a fine of not more than \$25 for the 1st offense, and not less than \$25, nor more than \$200, for each subsequent offense. **Any unclassified importer who shall import, receive or acquire from without the state cigarettes for use or consumption within the state without a license as provided in this section shall be punished by a fine of not more than \$25 for the 1st offense, and not less than \$25, nor more than \$200, for each subsequent offense.'**

Sec. 3. R. S., c. 14, § 188, amended. Section 188 of chapter 14 of the revised statutes, as amended by section 2 of chapter 89 of the public laws of 1945, is hereby further amended by adding at the end thereof a new paragraph to read as follows:

'Each unclassified importer's license shall expire on the 31st day of July next succeeding the date of issuance unless sooner revoked by the tax assessor. The holder of each unclassified importer's license, on application to the assessor accompanied by the fee prescribed in section 187, may annually before the expiration date of his license renew the license for a further period of 1 year.'

Sec. 4. R. S., c. 14, § 189, amended. Section 189 of chapter 14 of the revised statutes is hereby amended to read as follows:

'Sec. 189. Revocation of license. The assessor may revoke or suspend the license of any dealer, **unclassified importer** or distributor for failure to comply with any provisions of sections 186 to 205, inclusive, or if the person licensed has ceased to act in the capacity for which the license was issued. Any person aggrieved by such revocation or suspension may apply to the assessor for a hearing as provided in section 201, and may further appeal to the courts as provided in section 202.'

Sec. 5. R. S., c. 14, § 190, amended. Section 190 of chapter 14 of the revised statutes is hereby amended to read as follows:

'Sec. 190. Tax of 2 mills. A tax is imposed on all cigarettes held in this state by any person for sale, said tax to be at the rate of ~~+ mill~~ **2 mills** for each cigarette, and the payment thereof to be evidenced by the affixing

of stamps to the packages containing the cigarettes, as hereinafter provided. Any cigarette on which a tax has been paid, such payment being evidenced by the affixing of such stamp, shall not be subject to a further tax under the provisions of sections 186 to 205, inclusive. Nothing contained in said sections shall 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.

Each unclassified importer shall, within 24 hours after receipt of any unstamped cigarettes in this state, notify the tax assessor of the number of cigarettes received, and the name and address of consignor. The tax assessor thereupon shall notify the unclassified importer of the amount of the tax due thereon, at the rate of 2 mills per cigarette. Payment of the amount due the state shall be made within 10 days from mailing date of notice thereof.'

Sec. 6. R. S., c. 14, § 191, amended. Section 191 of chapter 14 of the revised statutes is hereby amended to read as follows:

'Sec. 191. Assessor to provide stamps. The tax assessor shall secure stamps, of such design and denomination as he shall prescribe, suitable to be affixed to packages of cigarettes as evidence of the payment of the tax imposed by the provisions of sections 186 to 205, inclusive. He shall sell such stamps to licensed distributors at a discount of ~~7%~~ $3\frac{1}{2}\%$ of their face value and to licensed dealers at their face value. The face value of the stamps when affixed shall be considered as part of the cost of the merchandise. The assessor may, in his discretion, permit a licensed distributor or licensed dealer to pay for such stamps within 30 days after the date of purchase, provided a bond satisfactory to the assessor in an amount not less than the sale price of such stamps shall have been filed with the assessor conditioned upon payment for such stamps. He shall keep accurate records of all stamps sold to each distributor and dealer and shall pay over all receipts from the sale of stamps to the treasurer of state daily.'

Sec. 7. R. S., c. 14, § 196, amended. The 1st sentence of section 196 of chapter 14 of the revised statutes is hereby amended to read as follows:

'Any cigarettes found at any place in this state without stamps affixed thereto as required by sections 186 to 205, inclusive, unless such cigarettes shall be in the possession of a licensed distributor, or unless they shall be in course of transit from without this state and consigned to a licensed distributor or licensed dealer, or unless they shall have been received by a licensed dealer within 72 hours, or unless they shall have been imported, received or acquired within 24 hours by a licensed unclassified importer

who has notified the tax assessor as provided in section 190, are declared to be contraband goods and are subject to forfeiture to the state; and sheriffs, deputy sheriffs, police officers, and duly authorized agents of the said assessor shall have the power to seize the same with or without process.'

Sec. 8. R. S., c. 14, § 205, amended. Section 205 of chapter 14 of the revised statutes, as amended by section 30 of chapter 297 of the public laws of 1945, is hereby further amended to read as follows:

'Sec. 205. Allocation of tax. The revenue derived from the tax imposed by the provisions of sections 186 to 205, inclusive, shall be credited to the general fund of the state. Provided, however, that there shall always be available for old age assistance state moneys in an amount not less than the revenue derived from ~~the~~ a cigarette tax of 1 mill for each cigarette.'

Further amend said Bill by striking out all of that part designated as Title VII and inserting in place thereof the following:

'TITLE VII

Tax on Liquor

R. S., c. 57, § 12, amended. Section 12 of chapter 57 of the revised statutes is hereby amended to read as follows:

'Sec. 12. Consumers' tax on spirituous and vinous liquor. All spirits and wines shall hereafter be sold by the commission at a price to be determined by the commission which will produce a state liquor tax of not less than ~~6+~~ 6% based on the less carload cost f. o. b., state liquor commission warehouse, excepting only that spirits and wines sold at wholesale under the provisions of section 41, may be sold at wholesale prices established pursuant to the provisions thereof. Any increased federal taxes levied on or after April 1, 1941 shall be added to the established price without markup. All net revenue derived from such tax shall be deposited to the credit of the general fund of the state.'

Further amend said Bill by striking out all of that part designated as Title VIII and inserting in place thereof the following:

'TITLE VIII

The proceeds of titles VI and VII shall be devoted to carry out:

- I. The provisions of section 2 of Title V;
- II. Veterans' benefits.'