

MAINE STATE LEGISLATURE

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N I N E T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 116

H. P. 78

House of Representatives, January 21, 1959.

Referred to the Committee on Taxation, sent up for concurrence and 1,000 copies ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Emmons of Kennebunk.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

AN ACT Increasing Tax on Cigarettes.

Emergency preamble. Whereas, acts and resolves passed by the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies ; and

Whereas, the said 90-day period will not terminate until after the beginning of the next fiscal year ; and

Whereas, certain obligations and expenses incident to the operation of departments and institutions will become due and payable on or immediately after July 1, 1959 ; and

Whereas, the revenue to be collected under the provisions of this act may not be sufficient to provide for said needs during the next fiscal biennium unless the tax is imposed at the beginning of the next fiscal year, namely, July 1, 1959 ; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety ; now, therefore,

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

Sec. 1. R. S., c. 16, § 204, amended. Section 204 of chapter 16 of the Revised Statutes, as amended by section 4 of chapter 359 of the public laws of 1955, is further amended to read as follows :

Sec. 204. Tax imposed. A tax is imposed on all cigarettes held in this State by any person for sale, said tax to be at the rate of ~~2½~~ 3 mills for each cigarette and the payment thereof to be evidenced by the affixing of stamps to the packages containing the cigarettes. 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 200 to 221. 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, which shall be at the rate of ~~2½~~ 3 mills per cigarette. Payment of the amount due the State shall be made within 10 days from mailing date of notice thereof.

Sec. 2. R. S., c. 16, § 205, amended. Section 205 of chapter 16 of the Revised Statutes, as amended by section 1 of chapter 1 and by section 5 of chapter 359, both of the public laws of 1955, is further amended to read as follows:

Sec. 205. Tax 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 200 to 221. To licensed distributors he shall sell such cigarette stamps at a discount of ~~3½%~~ 3% of their face value. To licensed dealers he shall sell all stamps at face value. The face value of the stamps when affixed shall be considered as part of the cost of the merchandise. The Tax 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 Tax Assessor in an amount not less than the sale price of such stamps shall have been filed with the Tax 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. 3. Cigarettes on hand; stamping or accounting; waiver provision. The State Tax Assessor may by regulation waive for a period of not over 7 days following the effective date of this act, payment of additional tax by retail dealers with respect to stocks of cigarettes properly stamped at the rate of 2½ mills per cigarette sold during such period, provided such stocks were on hand as of the effective date of this act; and pursuant thereto, the assessor may also waive for the same period the application to retail dealers of sections 208, 209 and 211 of chapter 16 of the Revised Statutes as respects such cigarettes.

Nothing herein shall be construed to authorize any distributor or subjobber to distribute to any retail outlet cigarettes not properly stamped at the rate of 3 mills per cigarette.

Cigarettes in the hands of retail dealers subsequent to the period of waiver provided for above, not properly stamped at the rate of 3 mills per cigarette, shall

be subject to confiscation under the provisions of section 211 of chapter 16 of the Revised Statutes; and such retailer shall be subject to any other penalties by law provided.

Emergency clause. In view of the emergency cited in the preamble, this act shall take effect July 1, 1959.