

2012 -- S 2624

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO TAXATION - CIGARETTE TAX

Introduced By: Senators Pichardo, Metts, and Perry

Date Introduced: March 01, 2012

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-20-1 and 44-20-49 of the General Laws in Chapter 44-20  
2 entitled "Cigarette Tax" are hereby amended to read as follows:

3 **44-20-1. Definitions. --** Whenever used in this chapter, unless the context requires  
4 otherwise:

5 (1) "Administrator" means the tax administrator;

6 (2) "Cigarettes" means: ~~and includes any cigarettes suitable for smoking in cigarette~~  
7 ~~form, and each sheet of cigarette rolling paper;~~

8 (i) Any cigarettes suitable for smoking in cigarette form;

9 (ii) Any roll, made wholly or in part of tobacco, irrespective of size or shape and  
10 irrespective of whether the tobacco is flavored, adulterated or mixed with any other ingredient,  
11 where such roll has a wrapper or cover made of any substance including tobacco or any other  
12 material, except where such roll is wrapped entirely in tobacco leaf and does not contain an  
13 internal filter or such roll weighs over four and a half (4.5) pounds per thousand (1,000); and

14 (iii) Any individual sheet of cigarette rolling paper;

15 (3) "Dealer" means any person whether located within or outside of this state, who sells  
16 or distributes cigarettes to a consumer in this state;

17 (4) "Distributor" means any person:

18 (A) Whether located within or outside of this state, other than a dealer, who sells or  
19 distributes cigarettes within or into this state. Such term shall not include any cigarette

1 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C.  
2 section 5712, if such person sells or distributes cigarettes in this state only to licensed distributors,  
3 or to an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C.  
4 section 5712;

5 (B) Selling cigarettes directly to consumers in this state by means of at least twenty-five  
6 (25) cigarette vending machines;

7 (C) Engaged in this state in the business of manufacturing cigarettes or any person  
8 engaged in the business of selling cigarettes to dealers, or to other persons, for the purpose of  
9 resale only; provided, that seventy-five percent (75%) of all cigarettes sold by that person in this  
10 state are sold to dealers or other persons for resale and selling cigarettes directly to at least forty  
11 (40) dealers or other persons for resale; or

12 (D) Maintaining one or more regular places of business in this state for that purpose;  
13 provided, that seventy-five percent (75%) of the sold cigarettes are purchased directly from the  
14 manufacturer and selling cigarettes directly to at least forty (40) dealers or other persons for  
15 resale;

16 (5) "Importer" means any person who imports into the United States, either directly or  
17 indirectly, a finished cigarette for sale or distribution;

18 (6) "Licensed", when used with reference to a manufacturer, importer, distributor or  
19 dealer, means only those persons who hold a valid and current license issued under section 44-20-  
20 2 for the type of business being engaged in. When the term "licensed" is used before a list of  
21 entities, such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term  
22 shall be deemed to apply to each entity in such list;

23 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,  
24 processes, or labels a finished cigarette;

25 (8) "Person" means any individual, firm, fiduciary, partnership, corporation, trust, or  
26 association, however formed;

27 (9) "Place of business" means and includes any place where cigarettes are sold or where  
28 cigarettes are stored or kept for the purpose of sale or consumption, including any vessel, vehicle,  
29 airplane, train, or vending machine;

30 (10) "Sale" or "sell" includes and applies to gifts, exchanges, and barter;

31 (11) "Snuff" means any finely cut, ground, or powdered tobacco that is not intended to  
32 be smoked; and

33 ~~(11)~~(12) "Stamp" means the impression, device, stamp, label, or print manufactured,  
34 printed, or made as prescribed by the administrator to be affixed to packages of cigarettes, as

1 evidence of the payment of the tax provided by this chapter or to indicate that the cigarettes are  
2 intended for a sale or distribution in this state that is exempt from state tax under the provisions of  
3 state law; and also includes impressions made by metering machines authorized to be used under  
4 the provisions of this chapter.

5 **44-20-49. Disposition of revenue -- Payment of refunds.** -- All moneys received by the  
6 tax administrator under the provisions of this chapter, except for the funds allocated to the tax  
7 administrator pursuant to section 44-20-19, are paid over to the general treasurer, and may be  
8 used for tobacco prevention, cessation, treatment and enforcement of current laws and policies.  
9 Whenever the tax administrator determines that any person is entitled to a refund of any moneys  
10 paid by that person under the provisions of this chapter, or whenever a court of competent  
11 jurisdiction orders a refund of any paid moneys, the general treasurer shall, upon certification by  
12 the tax administrator and with the approval of the controller, pay the refunds from any moneys in  
13 the treasury not appropriated without any further act or resolution making appropriation for any  
14 moneys.

15 SECTION 2. Sections 44-20.2-1 and 44-20.2-2 of the General Laws in Chapter 44-20.2  
16 entitled "Little Cigar Tax" are hereby repealed.

17 ~~**44-20.2-1. Definitions.** -- Whenever used in this chapter, unless the context requires~~  
18 ~~otherwise:~~

19 ~~(1) "Administrator" means the tax administrator;~~

20 ~~(2) "Dealer" means any person whether located within or outside of this state, who sells~~  
21 ~~or distributes little cigars to a consumer in this state;~~

22 ~~(3) "Distributor" means any person:~~

23 ~~(i) Whether located within or outside of this state, other than a dealer, who sells or~~  
24 ~~distributes little cigars within or into this state. Such term shall not include any little cigar~~  
25 ~~manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C.~~  
26 ~~section 5712, if such person sells or distributes little cigars in this state only to licensed~~  
27 ~~distributors, or to an export warehouse proprietor or another manufacturer with a valid permit~~  
28 ~~under 26 U.S.C. section 5712;~~

29 ~~(ii) Selling little cigars directly to consumers in this state by means of at least twenty five~~  
30 ~~(25) little cigar vending machines.~~

31 ~~(4) "Importer" means any person who imports into the United States, either directly or~~  
32 ~~indirectly, a finished little cigar for sale or distribution;~~

33 ~~(5) "Licensed" when used with reference to a manufacturer, importer, distributor or~~  
34 ~~dealer, means only those persons who hold a valid and current license issued under section 44-20-~~

1 ~~2 for the type of business being engaged in. When the term "licensed" is used before a list of~~  
2 ~~entities, such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term~~  
3 ~~shall be deemed to apply to each entity in such list;~~

4 ~~(6) "Little cigars" means and includes any roll, made wholly or in part of tobacco,~~  
5 ~~irrespective of size or shape and irrespective of whether the tobacco is flavored, adulterated or~~  
6 ~~mixed with any other ingredient, where such roll has a wrapper or cover made of tobacco~~  
7 ~~wrapped in leaf tobacco or any substance containing tobacco paper or any other material, except~~  
8 ~~where such wrapper is wholly or in greater part made of tobacco and such roll weighs over three~~  
9 ~~(3) pounds per thousand (1,000);~~

10 ~~(7) "Manufacturer" means any person who manufactures, fabricates, assembles,~~  
11 ~~processes, or labels a finished little cigar;~~

12 ~~(8) "Person" means any individual, firm, fiduciary, partnership, corporation, trust, or~~  
13 ~~association, however formed;~~

14 ~~(9) "Place of business" means and includes any place where little cigars are sold or~~  
15 ~~where little cigars are stored or kept for the purpose of sale or consumption, including any vessel,~~  
16 ~~vehicle, airplane, train, or vending machine;~~

17 ~~(10) "Sale" or "Sell" includes and applies to gifts, exchanges, and barter;~~

18 ~~(11) "Snuff" means any finely cut, ground, or powdered tobacco that is not intended to~~  
19 ~~be smoked;~~

20 ~~(12) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,~~  
21 ~~or made as prescribed by the administrator to be affixed to packages of little cigars, as evidence~~  
22 ~~of the payment of the tax provided by this chapter or to indicate that the little cigars are intended~~  
23 ~~for a sale or distribution in this state that is exempt from state tax under the provisions of state~~  
24 ~~law and also includes impressions made by metering machines authorized to be used under the~~  
25 ~~provisions of this chapter.~~

26 ~~**44-20.2-2. Tax imposed on little cigars sold.** The tax imposed on little cigars shall be~~  
27 ~~imposed in accordance with the provisions of sections 44-20-2--44-20-55.~~

28 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO TAXATION - CIGARETTE TAX

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1           This act would repeal chapters 44-20.2-1 and 44-20.2-2 relating to “Little Cigar Tax”,  
2 and amends the cigarette tax chapter to expand the tax thereunder to cover any roll of tobacco and  
3 snuff products.

4           This act would take effect upon passage.

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