

2014 -- S 2460

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO HEALTH AND SAFETY - TOBACCO CONTROL PROGRAM

Introduced By: Senators Pichardo, Metts, Goldin, Conley, and Sosnowski

Date Introduced: February 27, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 93

4 TOBACCO CONTROL PROGRAM

5 **23-93-1. Legislative findings.** – Cigarette smoking presents serious public health
6 concerns to the state and to the citizens of the state. The surgeon general has determined that
7 smoking causes lung cancer, heart disease, and other serious diseases, and that there are hundreds
8 of thousands of tobacco related deaths in the United States each year. These diseases most often
9 do not appear until many years after the person begins smoking.

10 **23-93-2. Tobacco control program.** – (a) For fiscal years 2015 and 2016, the governor
11 and general assembly shall include at least three million one hundred thousand dollars
12 (\$3,100,000) in the annual budget for appropriations to the state department of health to
13 implement the tobacco control program and for programs and activities aimed at reducing
14 tobacco use in Rhode Island as recommended by the centers for disease control and prevention, or
15 its successor agency, to prevent and reduce tobacco use, reduce exposure to secondhand smoke,
16 encourage cessation efforts, and identify and eliminate disparities related to tobacco use and its
17 effects among different population groups.

18 (b) Commencing fiscal year 2017 and each fiscal year thereafter, the governor and
19 general assembly shall include in the annual budget appropriations an additional five hundred

1 [thousand dollars \(\\$500,000\) to the amount allocated to the department of health tobacco control](#)
2 [program in the previous year for the purposes described in subsection \(a\) of this section until total](#)
3 [funding for the program has reached the level of funding recommended by the United States](#)
4 [centers for disease control and prevention, or its successor agency.](#)

5 SECTION 2. Sections 44-20-12, 44-20-12.4 and 44-20-19 of the General Laws in
6 Chapter 44-20 entitled "Cigarette Tax" are hereby amended to read as follows:

7 **44-20-12. Tax imposed on cigarettes sold.** -- A tax is imposed on all cigarettes sold or
8 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be
9 affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on
10 which the proper amount of tax provided for in this chapter has been paid, payment being
11 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of
12 ~~one hundred seventy-five (175)~~ [two hundred twenty-five \(225\)](#) mills for each cigarette.

13 **44-20-12.4. Floor stock tax on cigarettes and stamps.** -- (a) Whenever used in this
14 section, unless the context requires otherwise:

15 (1) "Cigarette" means and includes any cigarette as defined in section 44-20-1(2);

16 (2) "Person" means and includes each individual, firm, fiduciary, partnership,
17 corporation, trust, or association, however formed.

18 (b) Each person engaging in the business of selling cigarettes at retail in this state shall
19 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
20 calendar year ~~2012~~ [2014](#). In calendar year ~~2012~~ [2014](#), the tax shall be measured by the number of
21 cigarettes held by the person in this state at 12:01 a.m. on July 1, ~~2012~~ [2014](#) and is computed at
22 the rate of two (2.0) mills for each cigarette on July 1, ~~2012~~ [2014](#).

23 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
24 a tax or excise to the state for the privilege of engaging in business during any part of the calendar
25 year ~~2012~~ [2014](#). The tax is measured by the number of stamps, whether affixed or to be affixed to
26 packages of cigarettes, as required by section 44-20-28. In calendar year ~~2012~~ [2014](#) the tax is
27 measured by the number of stamps, as defined in section 44-20-1(10), whether affixed or to be
28 affixed, held by the distributor at 12:01 a.m. on July 1, ~~2012~~ [2014](#), and is computed at the rate of
29 two (2.0) mills per cigarette in the package to which the stamps are affixed or to be affixed.

30 (d) Each person subject to the payment of the tax imposed by this section shall, on or
31 before July 10, ~~2012~~ [2014](#), file a return with the tax administrator on forms furnished by him or
32 her, under oath or certified under the penalties of perjury, showing the amount of cigarettes or
33 stamps in that person's possession in this state at 12:01 a.m. on July 1, ~~2012~~ [2014](#), and the amount
34 of tax due, and shall at the time of filing the return pay the tax to the tax administrator. Failure to

1 obtain forms shall not be an excuse for the failure to make a return containing the information
2 required by the tax administrator.

3 (e) The tax administrator may promulgate rules and regulations, not inconsistent with
4 law, with regard to the assessment and collection of the tax imposed by this section.

5 **44-20-19. Sales of stamps to distributors.** -- The tax administrator shall sell stamps only
6 to licensed distributors at a discount of four cents (\$0.04) per stamp. The distributor remits to the
7 division of taxation ~~ninety-eight and three-fourths percent (98.75%) of the face value of the~~
8 ~~stamps thereby receiving a discount of one and one-quarter percent (1.25%) of the face value of~~
9 ~~the stamps. The ninety-eight and three-fourths percent (98.75%) remitted to the tax administrator~~
10 ~~is~~ the remaining amount to be paid over to the general revenue by the tax administrator. The tax
11 administrator may, in his or her discretion, permit a licensed distributor to pay for the stamps
12 within thirty (30) days after the date of purchase; provided, that a bond satisfactory to the tax
13 administrator in an amount not less than the sale price of the stamps has been filed with the tax
14 administrator conditioned upon payment for the stamps. The tax administrator shall keep accurate
15 records of all stamps sold to each distributor.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO HEALTH AND SAFETY - TOBACCO CONTROL PROGRAM

1 This act would create the "Tobacco Control Program" designed to help reduce tobacco
2 use in Rhode Island. Also, this act would increase the tax imposed on cigarettes sold in Rhode
3 Island would also and set forth the rate to be paid by distributors for tax stamps from one hundred
4 seventy-five (175) mills to two hundred twenty-five (225) mills for each cigarette.

5 This act would take effect upon passage.

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