

# HOUSE BILL

1010

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HB1010

AN ACT relating to taxation and revenue; imposing a tax on cigarettes and other tobacco products as specified; providing for collection, distribution and use as specified; and providing for an effective date.

HOUSE BILL 1010

*[Signature]*

Introduced by:

## HOUSE ACTION ON HOUSE BILL

5/31 ☒ Introduced  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
☒ Read First Time and Ref. to  
 Committee No. 12  
☐ Failed Introduction  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
 Returned from Committee No. \_\_\_  
 with Recommendation:  
☐ Do Pass; ☐ Amend & Do  
 Pass; ☐ Do Not Pass;  
☐ W/O Recomm; ☐ Re-Refer to  
 Committee No. \_\_\_  
 Re-referred to Committee No. \_\_\_  
 Returned from Committee No. \_\_\_  
 with Recommendation:  
☐ Do Pass; ☐ Amend & Do  
 Pass; ☐ Do Not Pass;  
☐ W/O Recomm; ☐ Re-Refer to  
 Committee No. \_\_\_  
 Considered in Comm. of Whole  
☐ Amended  
☐ Recommended Do Pass  
☐ Failed Comm. of Whole  
☐ Indefinitely Postponed  
☐ Other: \_\_\_  
 Read Second Time  
☐ Amended  
☐ Do Pass  
☐ Do Not Pass  
☐ Accelerated to 3rd Rdg.  
 Read Third Time  
☐ Amended  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
☐ Held for Reconsideration  
☐ Motion to Reconsider  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
☐ Third Reading Vote  
 (On Reconsideration)  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
 Sent to Senate (No Amendments)  
 Sent to LSO for Engrossing  
 ENGROSSED  
 Sent to Senate

## SENATE ACTION ON HOUSE BILL

Received. Read First Time.  
 Referred to Committee No. \_\_\_  
 Returned from Committee No. \_\_\_  
 with Recommendation:  
☐ Do Pass; ☐ Amend & Do  
 Pass; ☐ Do Not Pass;  
☐ W/O Recomm; ☐ Re-Refer to  
 Committee No. \_\_\_  
 Re-referred to Committee No. \_\_\_  
 Returned from Committee No. \_\_\_  
 with Recommendation:  
☐ Do Pass; ☐ Amend & Do  
 Pass; ☐ Do Not Pass;  
☐ W/O Recomm; ☐ Re-Refer to  
 Committee No. \_\_\_  
 Considered in Comm. of Whole  
☐ Amended  
☐ Recommended Do Pass  
☐ Failed Comm. of Whole  
☐ Indefinitely Postponed  
☐ Other: \_\_\_  
 Read Second Time  
☐ Amended  
☐ Do Pass  
☐ Do Not Pass  
☐ Accelerated to 3rd Rdg.  
 Read Third Time  
☐ Amended  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
☐ Held for Reconsideration  
☐ Motion to Reconsider  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
☐ Third Reading Vote  
 (On Reconsideration)  
☐ Passed ☐ Failed  
 Aye \_\_\_ No \_\_\_ Ex \_\_\_ Ab \_\_\_  
 Sent to House  
 Sent for Enrolling  
 HEA No. \_\_\_  
 Signed by Speaker  
 Signed by President  
 Approved by Governor  
 Chapter No. \_\_\_

## HOUSE BILL NO. HB1010

Tobacco tax.

Sponsored by: Representative(s) Osborn and Senator(s)  
Roberts

## A BILL

for

1 AN ACT relating to taxation and revenue; imposing a tax on  
2 cigarettes and other tobacco products as specified;  
3 providing for collection, distribution and use as specified;  
4 and providing for an effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.** W.S. 39-6-101(a)(iii) by creating a new  
9 subparagraph (D), 39-6-102(a), 39-6-103(c), (d) and by  
10 creating new subsections (e) through (g), 39-6-105(a), (b),  
11 (c)(intro), (i) and (ii), 39-6-108(a)(intro) and by creating  
12 a new subsection (b) and 39-6-110(a)(i) are amended to read:

13

14 **39-6-101. Definitions.**

15

16 (a) As used in this article:

17

1 (iii) "Wholesaler" means any person who:

2

3 (D) Is engaged in the business of producing  
4 or manufacturing cigars, snuff or other tobacco products, or  
5 importing into this state cigars, snuff or other tobacco  
6 products, for the purpose of distribution and sale thereof  
7 to dealers.

8

9 **39-6-102. Licensing of wholesalers; grant of authority**  
10 **to nonresidents; substituted service of process.**

11

12 (a) Every wholesaler who sells or offers to sell  
13 cigarettes, cigars, snuff or other tobacco products in this  
14 state must have a license to do so issued by the department.  
15 The license fee is ten dollars (\$10.00) per year or fraction  
16 thereof and is valid through June 30 in each year. The  
17 license will be granted only to wholesalers who own or  
18 operate the place from which sales are made and additional  
19 licenses must be obtained for each separate location. The  
20 licenses are transferable pursuant to rules and regulations  
21 promulgated by the department.

22

23 **39-6-103. Excise tax levied.**

24

1       (c) There is levied and shall be paid to the  
2 department an excise tax of six-tenths of a cent (\$.006)  
3 upon the use or storage by consumers of cigarettes in  
4 Wyoming but only if the tax imposed by ~~subsections~~  
5 subsection (a) and (b) of this section has not been paid.

6  
7       (d) Except for the tax imposed by subsections (e)  
8 through (g) of this section, thirty-three and one-third  
9 percent (33 1/3%) of the taxes collected pursuant to this  
10 section shall be distributed to incorporated cities and  
11 towns and to boards of county commissioners in the  
12 proportion the cigarette taxes derived from sales within  
13 each incorporated city or town or county bears to total  
14 cigarette taxes collected. The remainder shall be  
15 distributed pursuant to W.S. 39-6-108.

16  
17       (e) In addition to other taxes imposed by this  
18 section, there is levied and shall be paid to the department  
19 an excise tax of one and one-quarter of a cent (\$.0125) upon  
20 the sale of each cigarette sold by wholesalers, or upon the  
21 use or storage by consumers of cigarettes in this state.

22  
23       (f) In addition to other taxes imposed by this  
24 section, there is levied and assessed upon cigars, snuff and  
25 other tobacco products sold in this state, or imported into

1 this state for resale, except cigarettes taxed under this  
2 section, an excise tax at the rate of twenty percent (20%)  
3 of the wholesale purchase price at which the tobacco  
4 products are purchased by wholesalers. For purposes of this  
5 subsection, the term "wholesale purchase price" means the  
6 established price for which a manufacturer sells the tobacco  
7 products to a wholesaler exclusive of any discount or other  
8 reduction. The tax imposed by this subsection shall be paid  
9 by the wholesaler. Any dealer or other person who purchases  
10 the tobacco products for resale in this state from other  
11 than a licensed wholesaler is liable for the tax and any  
12 penalties and interest imposed under this subsection as if  
13 he were a wholesaler under this act and shall pay an  
14 additional penalty of twenty-five percent (25%) of the tax  
15 due. Any wholesaler or dealer who fails to file any return  
16 or to pay any tax within the time required or permitted by  
17 this subsection shall be subject to a penalty of five  
18 percent (5%) of the amount of the tax due, plus one percent  
19 (1%) of the tax for each month of delinquency or fraction  
20 thereof. The department may waive all or any part of this  
21 penalty for good cause shown.

22

23 (g) The tax imposed by subsection (f) of this section  
24 is also imposed upon the use or storage by consumers of  
25 cigars, snuff and other tobacco products in this state, and

1 upon those consumers, at the rate established by subsection  
2 (f) of this section. This tax shall not apply if the tax  
3 imposed by subsection (f) of this section has been paid. On  
4 or before the tenth day of each calendar quarter, every  
5 consumer who, during the preceding calendar quarter, has  
6 acquired title to or possession of cigars, snuff or other  
7 tobacco products for use or storage in this state, upon  
8 which products the tax imposed by subsection (f) of this  
9 section has not been paid, shall file a return with the  
10 department showing the quantity of such products so  
11 acquired. The return shall be made upon a form furnished and  
12 prescribed by the department and shall contain such other  
13 information as the department may require. The return shall  
14 be accompanied by a remittance for the full unpaid tax  
15 liability shown by it.

16

17       **39-6-105. Records; examination of stock; monthly**  
18 **returns.**

19

20       (a) Each wholesaler shall keep complete and accurate  
21 records of all cigarettes, cigars, snuff or other tobacco  
22 products purchased and sold for three (3) years. The records  
23 shall be in the form prescribed by the department and will  
24 be available for inspection by the department at any  
25 reasonable time.

1

2 (b) The department may investigate and examine the  
3 stock of cigarettes, cigars, snuff or other tobacco products  
4 upon any premises where they are stored or sold.

5

6 (c) No later than the twentieth day of the month  
7 following the sale of cigarettes, cigars, snuff or other  
8 tobacco products each wholesaler shall return to the  
9 department the following information on forms furnished by  
10 the department:

11

12 (i) The number of packages of cigarettes, and the  
13 amount of cigars, snuff or other tobacco products sold in  
14 each incorporated city and town;

15

16 (ii) The number of packages of cigarettes, and  
17 the amount of cigars, snuff or other tobacco products sold  
18 in each county outside the incorporated cities and towns;

19

20 **39-6-108. Distribution of revenue.**

21

22 (a) Except as provided by subsection (b) of this  
23 section, revenue received under this article shall be  
24 transferred to the state treasurer who shall distribute it  
25 as follows:

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(b) The revenue received from the taxes imposed by W.S. 39-6-103(e) through (g) shall be distributed as follows:

(i) Fifty percent (50%) shall be deposited into the school foundation program;

(ii) Fifty percent (50%) shall be distributed to incorporated cities and towns and to boards of county commissioners in the proportion the taxes derived from sales within each incorporated city or town or county bears to the total tobacco taxes collected under W.S. 39-6-103(e) through (g). The computation for the distribution shall be made by the department according to the monthly returns filed by the wholesalers and any taxes reported under W.S. 39-6-103(g).

**39-6-110. Prohibited acts; penalties.**

(a) The following acts are misdemeanors punishable by a fine of not more than one hundred dollars (\$100.00) or imprisonment in the county jail for not more than six (6) months or both:



1           (i) Selling or distributing cigarettes, cigars,  
2 snuff or other tobacco products as a wholesaler without a  
3 license;

4

5           **Section 2.** This act is effective July 1, 1997.

6

7

(END)

FISCAL NOTE

	FY 1998	FY 1999	FY 2000
<b>NON-ADMINISTRATIVE IMPACT</b>			
<u>Revenue Increase:</u>			
Foundation Fund	\$6,271,000	\$6,272,000	\$6,274,000
Local Sources Fund	\$6,271,000	\$6,272,000	\$6,274,000
Total	\$12,542,000	\$12,544,000	\$12,548,000

## Source of Increased revenues:

Increased tax on cigarettes. New tax on cigars, snuff, and other tobacco products.

## Assumptions:

The above estimates are based on the last three years' sales of cigarettes. The revenue is strictly limited to cigarettes. No data exists on the sales of cigars, snuff and other tobacco products, and therefore estimates exclude this potential revenue. These numbers reflect a 4% discount to wholesalers on purchases of tax stamps.

Prepared by: Scott BadleyPhone: 777-7881

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