

2013 -- S 0247

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO HEALTH AND SAFETY - TOBACCO CONTROL PROGRAM

Introduced By: Senators Pichardo, Miller, Jabour, Lynch, and Goodwin

Date Introduced: February 13, 2013

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 88

4 TOBACCO CONTROL PROGRAM

5 **23-88-1. 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 **23-88-2. Tobacco Control Program.** – (a) For fiscal years 2014 and 2015, 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 2016 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, 44-20-12.3 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 three (173)~~ [two hundred eighteen \(218\)](#) mills for each cigarette.

13 **44-20-12.3. 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 ~~2009~~ [2013](#). In calendar year ~~2009~~ [2013](#), the tax shall be measured by the number of
21 cigarettes held by the person in this state at 12:01 a.m. on ~~April 10, 2009~~ [July 1, 2013](#) and is
22 computed at the rate of ~~fifty (50.0)~~ [ninety \(90\)](#) mills for each cigarette on ~~April 10, 2009~~ [July 1,](#)
23 [2013](#).

24 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
25 a tax or excise to the state for the privilege of engaging in business during any part of the calendar
26 year ~~2009~~ [2013](#). The tax is measured by the number of stamps, whether affixed or to be affixed to
27 packages of cigarettes, as required by section 44-20-28. In calendar year ~~2009~~ [2013](#) the tax is
28 measured by the number of stamps, as defined in section 44-20-1(~~10~~) [\(11\)](#), whether affixed or to
29 be affixed, held by the distributor at 12:01 a.m. on ~~April 10, 2009~~ [July 1, 2013](#), and is computed
30 at the rate of ~~fifty (50.0)~~ [ninety \(90\)](#) mills per cigarette in the package to which the stamps are
31 affixed or to be affixed.

32 (d) Each person subject to the payment of the tax imposed by this section shall, on or
33 before ~~April 20, 2009~~ [July 10, 2013](#), file a return with the tax administrator on forms furnished by
34 him or her, under oath or certified under the penalties of perjury, showing the amount of

1 cigarettes or stamps in that person's possession in this state at 12:01 a.m. on ~~April 10, 2009~~ July
2 1, 2013, and the amount of tax due, and shall at the time of filing the return pay the tax to the tax
3 administrator. Failure to obtain forms shall not be an excuse for the failure to make a return
4 containing the information required by the tax administrator.

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

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

18 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 HEALTH AND SAFETY - TOBACCO CONTROL PROGRAM

1 This act would create the Tobacco Control Program designed to help reduce tobacco use
2 in Rhode Island. Also, this act would increase the tax imposed on cigarettes sold in Rhode Island
3 and sets forth the rate to be paid by distributors for tax stamps. Finally, this act would impose an
4 increased tax on the sale of cigarettes and a rate for computation of this tax.

5 This act would take effect upon passage.

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