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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION -- CIGARETTE TAX

Introduced By: Senators Miller, and Ruggerio

Date Introduced: February 26, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-20-1 of the General Laws in Chapter 44-20 entitled "Cigarette  
2 Tax" is 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 and any roll of tobacco wrapped in tobacco leaf or  
8 a substance containing tobacco that is the size of a cigarette;

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

11 (4) "Distributor" means any person:

12 (A) Whether located within or outside of this state, other than a dealer, who sells or  
13 distributes cigarettes within or into this state. Such term shall not include any cigarette  
14 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. §  
15 5712, if such person sells or distributes cigarettes in this state only to licensed distributors, or to  
16 an export warehouse proprietor or another manufacturer with a valid permit under 26 U.S.C. §  
17 5712;

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

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

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

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

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

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

19 (8) "Person" means any individual, including an employee or agent, firm, fiduciary,  
20 partnership, corporation, trust, or association, however formed;

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

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

25 (11) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,  
26 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of  
27 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a  
28 sale or distribution in this state that is exempt from state tax under the provisions of state law; and  
29 also includes impressions made by metering machines authorized to be used under the provisions  
30 of this chapter.

31 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO TAXATION -- CIGARETTE TAX

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- 1           This act would amend the definition of cigarettes to include any tobacco rolled in tobacco
- 2 leaf that is the size of a cigarette.
- 3           This act would take effect upon passage.

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