

1 H.636

2 Introduced by Representative Larocque of Barnet

3 Referred to Committee on

4 Date:

5 Subject: Taxation; cigarettes and tobacco products; tobacco products tax

6 Statement of purpose: This bill proposes to amend the tobacco products tax so
7 that snuff and new smokeless tobacco will be taxed at the same rate as other
8 tobacco products.

9 An act relating to tobacco products tax

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 32 V.S.A. § 7811 is amended to read:

12 § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

13 There is hereby imposed and shall be paid a tax on all tobacco products
14 except roll-your-own tobacco and little cigars taxed under section 7771 of this
15 title possessed in the state of Vermont by any person for sale on and after
16 July 1, 1959 which were imported into the state or manufactured in the state
17 after said date, except that no tax shall be imposed on tobacco products sold
18 under such circumstances that this state is without power to impose such tax,
19 or sold to the United States, or sold to or by a voluntary unincorporated
20 organization of the armed forces of the United States operating a place for the

1 sale of goods pursuant to regulations promulgated by the appropriate executive
2 agency of the United States. Such tax is intended to be imposed only once
3 upon the wholesale sale of any tobacco product and shall be at the rate of
4 92 percent of the wholesale price for all tobacco products ~~except snuff, which~~
5 ~~shall be taxed at \$1.66 per ounce, or fractional part thereof, and new smokeless~~
6 ~~tobacco, which shall be taxed at the greater of \$1.66 per ounce or, if packaged~~
7 ~~for sale to a consumer in a package that contains less than 1.2 ounces of the~~
8 ~~new smokeless tobacco, at the rate of \$1.99 per package.~~ Provided, however,
9 that upon payment of the tax within 10 days, the distributor or dealer may
10 deduct from the tax two percent of the tax due. It shall be presumed that all
11 tobacco products within the state are subject to tax until the contrary is
12 established and the burden of proof that any tobacco products are not taxable
13 hereunder shall be upon the person in possession thereof. Wholesalers of
14 tobacco products shall state on the invoice whether the price includes the
15 Vermont tobacco products tax.

16 Sec. 2. EFFECTIVE DATE

17 This act shall take effect on July 1, 2010.