SENATE DOCKET, NO. 764 FILED ON: 1/17/2013

SENATE . . . . . No. 1312

The Commonwealth of Massachusetts

PRESENTED BY:

Harriette L. Chandler

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act to reduce tobacco addiction.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Harriette L. Chandler	*First Worcester*
Jason M. Lewis	*31st Middlesex*
Gale D. Candaras	*First Hampden and Hampshire*
Kay Khan	*11th Middlesex*
Tricia Farley-Bouvier	*3rd Berkshire*
John J. Lawn, Jr.	*10th Middlesex*
Frank I. Smizik	*15th Norfolk*
Patricia D. Jehlen	*Second Middlesex*
Denise Andrews	*2nd Franklin*
Thomas P. Conroy	*13th Middlesex*
Paul R. Heroux	*2nd Bristol*
Carl M. Sciortino, Jr.	*34th Middlesex*

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SENATE . . . . . No. 1312

By Ms. Chandler, a petition (accompanied by bill, Senate, No. 1312) of Harriette L. Chandler, Jason M. Lewis, Gale D. Candaras, Kay Khan and other members of the General Court for legislation relative to a tobacco excise. Revenue.

The Commonwealth of Massachusetts

An Act to reduce tobacco addiction.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 7B of Chapter 64C of the General Laws is hereby amended by adding the following paragraphs:

(m) In addition to the excise imposed by paragraph (b), an excise shall be imposed on all cigars weighing more than 3 pounds per 1,000 units held in the commonwealth at the rate of 105 per cent of the wholesale price of such product. In addition to the excise imposed by paragraph (b), an excise shall be imposed on all smoking tobacco held in the commonwealth at the rate of 105 per cent of the wholesale price of such product.

(n) Notwithstanding the provisions of section 28 and the provisions of this section, a portion of the cigar and smoking tobacco excise revenue paid under this section shall be credited to the Prevention and Wellness Trust Fund, established pursuant to section 2G of chapter 111. The amount credited to the Prevention and Wellness Trust Fund shall be all sums received pursuant paragraph (m) of section 7B of chapter 64C, together with any penalties, forfeitures, interest, costs of suits and fines collected in connection therewith, less all amounts refunded or abated in connection therewith.

SECTION 2. Section 7C of Chapter 64C of the General Laws is hereby amended by adding the following paragraph:

(d) In addition to the excise imposed by section (a) of chapter 64C , an excise shall be imposed equal to forty-five percent of the price paid by such licensee or unclassified acquirer to purchase smokeless tobacco so sold, imported or acquired. Notwithstanding the provisions of section 28 and the provisions of this section, a portion of the smokeless tobacco excise revenue paid under this section shall be credited to the Prevention and Wellness Trust Fund, established pursuant to section 2G of chapter 111. The amount credited to the Prevention and Wellness Trust Fund shall be all sums received pursuant paragraph (d) of section 7C of chapter 64C,

24 together with any penalties, forfeitures, interest, costs of suits and fines collected in connection
25 therewith, less all amounts refunded or abated in connection therewith.

26 SECTION 3. Section 6 of chapter 64C of the General Laws, as so appearing, is hereby
27 amended by striking out, in lines 3 and 11, the figure 100½ and inserting in place thereof the
28 following figure:- 163

29 SECTION 4. Said Section 6 of Chapter 64C as so appearing, is further amended by
30 adding the following paragraph:-

31 Notwithstanding the provisions of section 28, and the provisions of this section, a portion
32 of cigarette excise revenues paid under this section shall be credited to the Massachusetts
33 Tobacco Cessation and Prevention program within the Department of Public Health. The amount
34 credited to the fund in fiscal year 2014 shall be twenty per cent of the monthly excess, if any, on
35 cigarette excise payments received in August 2013 to June 2014 over the cigarette excise
36 payments received in the same months in the previous fiscal year. The amount credited to the
37 Fund in fiscal year 2015 shall be twenty per cent of the monthly excess in cigarette excise
38 payments received in fiscal year 2015 over cigarette excise payments received in the same
39 months in fiscal year 2012. The amount credited to the fund in fiscal year 2016 and thereafter
40 shall be twenty per cent of the monthly cigarette revenue received in each such year multiplied
41 by the percentage of cigarette excise collections in 2015 that were credited to the fund.

42 SECTION 5. Section 28 of said chapter 64C of the General Laws, as so appearing, is
43 hereby amended by striking out the words sections 6 and 7A and inserting in place thereof the
44 following words:- sections 6, 7A, 7B and 7C

45 SECTION 6. Section 7C, Chapter 64C of the General Laws is hereby amended by adding
46 the following:

47 (e) Any change, henceforth, to the state excise tax rate for cigarettes shall cause a
48 commensurate adjustment in the state excise tax for all other tobacco products under Chapter
49 64C. For purposes of this subsection (e), the term "commensurate adjustment" shall be
50 determined by dividing the change in the state cigarette excise tax by the total cigarette excise
51 tax prior to that change, and the resulting percentage change shall be applied to calculate the
52 commensurate adjustment to the state excise taxes for cigars, smokeless tobacco and smoking
53 tobacco. There shall be no negative commensurate adjustments, and the said rate for each
54 tobacco product each shall be adjusted independently of the other such product categories under
55 Chapter 64C. The change in cigarette excise tax and commensurate adjustments shall have the
56 same effective date.

57 SECTION 7. Every manufacturer, wholesaler, vending machine operator, unclassified
58 acquirer or retailer, as defined in section 1 of chapter 64C of the General Laws, and every
59 stamper appointed by the commissioner of revenue pursuant to section 30 of said chapter 64C,

60 who, as of the commencement of business on July 1, 2013, has on hand any cigarettes for sale or
61 any unused adhesive or meter stamps, shall make and file with the commissioner within 20 days
62 a return, subscribed and sworn to under the penalties of perjury, showing a complete inventory of
63 such cigarettes and stamps and shall, at the time he is required to file such return, pay an
64 additional excise of 62½ mills per cigarette on all cigarettes and all unused adhesive and meter
65 stamps upon which an excise of only 100½ mills has previously been paid. All provisions of
66 chapters 62C and 64C of the General Laws relative to the assessment, collection, payment,
67 abatement, verification and administration of taxes, including penalties, shall apply to the excise
68 imposed by this section.

69 SECTION 8. This act shall take effect on July 1, 2013