A BILL

FOR AN ACT ENTITLED

"An Act relating to taxes on cigarettes and tobacco products; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Sec. 1. LEGISLATIVE INTENT. It is the intent of the legislature that, of the new tax revenue derived from the amendments made by secs. 2 and 3 of this Act, subject to appropriation,

(1) 10 percent be used for establishing an aggressive anti-tobacco campaign targeting children, to be administered by the Department of Health and Social Services;

(2) 10 percent be used by the Department of Public Safety as pass-through grants to municipalities to detect and prosecute those who sell or otherwise supply tobacco to children; and

(3) the balance be expended for state support of elementary and secondary education.

* Sec. 2. AS 43.50.190(a) is amended to read:
(a) There is levied an excise tax of 62 mills [12 MILLS] on each cigarette imported or acquired in this state.

* Sec. 3. AS 43.50.300 is amended to read:

Sec. 43.50.300. EXCISE TAX LEVIED. An excise tax is levied on tobacco products in the state at the rate of 100 [25] percent of the wholesale price of the tobacco products. The tax is levied when a person

(1) brings, or causes to be brought, a tobacco product into the state from outside the state for sale;

(2) makes, manufactures, or fabricates a tobacco product in the state for sale in the state; or

(3) ships or transports a tobacco product to a retailer in the state for sale by the retailer.

* Sec. 4. This Act takes effect October 1, 1996.