

# REPRESENTATIVE SARA HANNAN

## ALASKA STATE LEGISLATURE

Alaska State Capitol  
120 4<sup>th</sup> Street  
Juneau, AK 99801  
Office (907) 465-4766  
Toll Free (877) 465-4766  
Rep.Sara.Hannan@akleg.gov



House District 33  
Downtown Juneau  
Thane, Lemon Creek  
Douglas Island, Gustavus  
Excursion Inlet, Skagway  
Haines, Klukwan

### Explanation of Changes in CSHB 94

#### Version U to Version K

#### “Electronic Smoking Products Excise Tax”

**The House Labor & Commerce Committee** adopted a Committee Substitute that adds measures for licensing of online retailers, age verification at point of sale and point of delivery, labelling of items shipped, and taxation of direct online sales to end consumers.

**In the title of the bill, on page 1, starting on line 1**, “relating to transporting tobacco, a product containing nicotine, or an electronic smoking product;” was inserted.

**Section 1 of the bill, beginning on page 1, line 5**, was replaced with amendments to AS 43.50.105(b). The amendments in this section insure that a person licensed under this chapter may not ship cigarettes to a person in the state unless that person is an individual of 21 years of age or older “and the individual’s age was verified at the time of purchase by a third-party verification service.” (The excise tax on the cigarettes also must be paid.)

**A new Section 2 of the bill, beginning on page 2, line 4**, amends AS 43.50.105(c) to ensure that a common carrier (FedEx, UPS, USPS, etc.) shipping cigarettes into the state verifies the age of the recipient as 21 years of age or older before completing delivery.

Subsequent sections were renumbered accordingly.

**Section 7 of the bill, beginning on page 3, line 21**, amends AS 43.50 by adding a new section (AS 43.50.325) to establish restrictions on shipping or transporting tobacco products and electronic smoking products. Essentially, these new provisions make the restrictions on shipping of tobacco products and electronic smoking products into the state identical to the restrictions on shipping cigarettes.

These restrictions include

- licensing requirements of persons receiving the products
- that a receiving individual’s age must be verified as 21 years or older through a third party at the time of purchase

- that the tax imposed under this chapter must have been paid
- that a common carrier shipping the tobacco products or electronic smoking products to an individual in the state verifies the age of the recipient as 21 years or older before completing delivery
- that the tobacco products or electronic smoking products must be clearly labelled as such for shipping.

All other sections of the bill have been renumbered accordingly.