

ALASKA STATE LEGISLATURE

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Official Business

CS for Senate Bill 89: Age for Tobacco / E-Cigarette Tax Changes from Labor & Commerce Committee Version ("U" to "R")

- Change #1:** Page 1, line 4. Adds reference in the title to the tobacco use and cessation fund.
- Change #2:** Page 3, lines 24 to 26. Requires a mandatory court appearance with a parent or guardian for minors (under 18) caught possessing tobacco or e-cig products.
- Change #3:** Deletes former Section 5, the internet sales ban for cigarettes and Other Tobacco Products (OTP) to private individuals.
- Change #4:** Page 4, line 12. Increases the age for online sales of e-cig products to persons aged 21 and over. It also maintains online sales of e-cig products to private individuals, provided there is an age verification process and the tax is paid.
- Change #5:** Page 6, lines 6 to 15. Adds new Section 11, moving the Tobacco Use Education and Cessation Fund (AS 37.05.580) to a separate fund within the state treasury, instead of being a special account within the general fund.
- Change #6:** Page 8, lines 7 to 12. Adds new Section 16, relating to the Tobacco Use Education and Cessation Fund, reflecting three revenue sources going into the fund: (1) 20% of the annual payment under the Tobacco Master Settlement Agreement; (2) 8.9% of the general portion of the cigarette tax; and (3) the proceeds from the new tax on electronic smoking products (ESPs).
- Change #7:** Page 10, lines 17-20. Requires an online vender with 200 or more transactions in the state to register with DOR, and collect and remit the tax.
- Change #8:** Page 11, lines 2 to 3. Further clarifies that marijuana and hemp products are exempted from the tax under this bill if those products do not also contain nicotine.
- Change #9:** Page 12, line 30 to page 13, line 3. The new tax revenues are deposited into the Tobacco Use Education and Cessation Fund, and may be used by the tobacco control program managed by the Department of Health for efforts to prevent tobacco and ESP use in schools.
- Change #10:** Page 15, line 7. Lowers the maximum nicotine concentration of ESPs from 60 to 50mg/ml.