

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 299

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES WILLIAMS, Dyson, Kohring

Introduced: 2/11/98

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act reducing excise tax rates for pipe tobacco and cigars; and relating to
2 the definition of 'cigarettes' and 'tobacco products' for the purpose of taxation."

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

4 * **Section 1.** AS 43.50.170(2) is amended to read:

5 (2) "cigarette" means

6 (A) a roll for smoking of any size or shape, made wholly or
7 partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with
8 another ingredient, if the wrapper or cover of the roll is made of paper or a
9 material other than tobacco; or

10 (B) a roll of tobacco wrapped in any substance containing
11 tobacco which, because of its appearance, the type of tobacco used in the
12 filler, or its packaging and labeling, is likely to be offered to or purchased
13 by consumers as a cigarette described in (A) of this paragraph;

14 * **Sec. 2.** AS 43.50.300 is amended to read:

1 **Sec. 43.50.300. Excise tax levied. (a)** An excise tax is levied

2 (1) on **the following** tobacco products in the state at the rate of **25** [75]
3 percent of the wholesale price of the tobacco **product**:

4 **(A) cigars; and**

5 **(B) tobacco in any form suitable for smoking in a pipe;**

6 **(2) on a tobacco product, except a product described in (1) of this**
7 **subsection, in the state at the rate of 75 percent of the wholesale price of the**
8 **tobacco product** [PRODUCTS].

9 **(b)** The tax **imposed under (a) of this section** is levied when a person

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

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

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

16 * **Sec. 3.** AS 43.50.390(4) is amended to read:

17 (4) "tobacco product" means

18 (A) a cigar;

19 (B) [A CHEROOT;

20 (C) A STOGIE;

21 (D) A PERIQUE;

22 (E)] snuff and snuff flour;

23 **(C)** [(F)] smoking tobacco, including granulated, plug-cut,
24 crimp-cut, ready-rubbed, and any form of tobacco suitable for smoking in a
25 pipe or cigarette;

26 **(D)** [(G)] chewing tobacco, including cavendish, twist, plug,
27 scrap, and tobacco suitable for chewing; or

28 **(E)** [(H)] an article or product made of tobacco or a tobacco
29 substitute, but not including a cigarette as defined in AS 43.50.170;

30 * **Sec. 4.** AS 43.50.390 is amended by adding a new paragraph to read:

31 (6) "cigar" means a roll of tobacco wrapped in leaf tobacco or a

- 1 substance containing tobacco, including a cheroot, a stogie, or a perique, but does not
- 2 include a cigarette as defined in AS 43.50.170.