

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 299(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/2/98

Referred: Rules

Sponsor(s): REPRESENTATIVES WILLIAMS, Dyson, Kohring

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) hand-rolled 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.