

# HOUSE BILL No. 1457

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-7-1.

**Synopsis:** Cigarette tax. Increases the cigarette tax by \$0.25 per pack. Reduces the distributor's discount for purchasing cigarette tax stamps by an amount proportionate to the increase in the tax rate.

**Effective:** July 1, 2001.

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January 11, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

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# HOUSE BILL No. 1457



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-7-1-12 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2001]: Sec. 12. (a) The following taxes are  
3 imposed, and shall be collected and paid as provided in this chapter,  
4 upon the sale, exchange, bartering, furnishing, giving away, or  
5 otherwise disposing of cigarettes within the state of Indiana:  
6 (1) On cigarettes weighing not more than three (3) pounds per  
7 thousand (1,000), a tax at the rate of ~~seven hundred seventy-five~~  
8 ~~thousandths of a cent (\$0.00775)~~ **two and twenty-five**  
9 **thousandths of a cent (\$0.02025)** per individual cigarette.  
10 (2) On cigarettes weighing more than three (3) pounds per  
11 thousand (1,000), a tax at the rate of ~~one and three-hundredths of~~  
12 ~~a cent (\$0.0103)~~ **two and twenty-eight hundredths of a cent**  
13 **(\$0.0228)** per individual cigarette, except that if any cigarettes  
14 weighing more than three (3) pounds per thousand (1,000) shall  
15 be more than six and one-half (6 1/2) inches in length, they shall  
16 be taxable at the rate provided in subdivision (1), counting each  
17 two and three-fourths (2 3/4) inches (or fraction thereof) as a



1 separate cigarette.

2 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared  
3 for the purpose of making cigarettes, which are sold, exchanged,  
4 bartered, given away, or otherwise disposed of within the state of  
5 Indiana (other than to a manufacturer of cigarettes for use by him in the  
6 manufacture of cigarettes), the following taxes are imposed, and shall  
7 be collected and paid as provided in this chapter:

8 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).

9 (2) On more than fifty (50) papers but not more than one hundred  
10 (100) papers, a tax of one cent (\$0.01).

11 (3) On more than one hundred (100) papers, one-half cent  
12 (\$0.005) for each fifty (50) papers or fractional part thereof.

13 (4) On tubes, one cent (\$0.01) for each fifty (50) tubes or  
14 fractional part thereof.

15 SECTION 2. IC 6-7-1-17 IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE JULY 1, 2001]: Sec. 17. (a) Distributors who hold  
17 certificates and retailers shall be agents of the state in the collection of  
18 the taxes imposed by this chapter and the amount of the tax levied,  
19 assessed, and imposed by this chapter on cigarettes sold, exchanged,  
20 bartered, furnished, given away, or otherwise disposed of by  
21 distributors or to retailers. Distributors who hold certificates shall be  
22 agents of the department to affix the required stamps and shall be  
23 entitled to purchase the stamps from the department at a discount of  
24 **four one and one-half percent (~~4%~~) (1.5%)** of the amount of the tax  
25 stamps purchased, as compensation for their labor and expense.

26 (b) The department may permit distributors who hold certificates  
27 and who are admitted to do business in Indiana to pay for revenue  
28 stamps within thirty (30) days after the date of purchase. However, the  
29 privilege is extended upon the express condition that a bond or letter  
30 of credit satisfactory to the department, in an amount not less than the  
31 sales price of the stamps, is filed with the department, and proof of  
32 payment is made of all local property, state income, and excise taxes  
33 for which any such distributor may be liable. The bond or letter of  
34 credit, conditioned to secure payment for the stamps, shall be executed  
35 by the distributor as principal and by a corporation duly authorized to  
36 engage in business as a surety company or financial institution in  
37 Indiana.

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