

SENATE BILL No. 371

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-7-2.

Synopsis: Nonsmoking tobacco products tax. Increases the tobacco products tax (nonsmoking) from 24% to 31% of the wholesale price. Reduces the collection allowance from 0.006 to 0.0052 of the amount due. Provides that \$1,500,000 of the revenue from the increase is appropriated to the department of health for prenatal substance abuse programs and the remainder of the increase is deposited in the Indiana check-up plan trust fund.

Effective: July 1, 2009.

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January 8, 2009, read first time and referred to Committee on Appropriations.

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First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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SENATE BILL No. 371



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-7-2-7, AS AMENDED BY P.L.234-2007,
 2 SECTION 201, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2009]: Sec. 7. A tax is imposed on the
 4 distribution of tobacco products in Indiana at the rate of ~~twenty-four~~
 5 **thirty-one** percent (~~24%~~) (**31%**) of the wholesale price of the tobacco
 6 products. The distributor of the tobacco products is liable for the tax.
 7 The tax is imposed at the time the distributor:
 8 (1) brings or causes tobacco products to be brought into Indiana
 9 for distribution;
 10 (2) manufactures tobacco products in Indiana for distribution; or
 11 (3) transports tobacco products to retail dealers in Indiana for
 12 resale by those retail dealers.
 13 SECTION 2. IC 6-7-2-13 IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2009]: Sec. 13. A distributor that files a
 15 complete return and pays the tax due within the time specified in
 16 section 12 of this chapter is entitled to deduct and retain from the tax
 17 a collection allowance of ~~six-thousandths~~ (~~0.006~~) **fifty-two**



1 **ten-thousandths (0.0052)** of the amount due. If a distributor files an
2 incomplete report, the department may reduce the collection allowance
3 by an amount that does not exceed the lesser of:

- 4 (1) ten percent (10%) of the collection allowance; or
- 5 (2) fifty dollars (\$50).

6 SECTION 3. IC 6-7-2-17, AS AMENDED BY P.L.234-2007,
7 SECTION 202, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2009]: Sec. 17. The department shall deposit
9 ~~twenty-five percent (25%) of~~ the taxes, registration fees, fines, or
10 penalties collected under this chapter **as follows:**

- 11 (1) **Twenty-two percent (22%)** in the affordable housing and
12 community development fund established by IC 5-20-4-7.
- 13 (2) **Six and seven-tenths percent (6.7%) in the Indiana**
14 **check-up plan trust fund established by IC 12-15-44.2-17.**
- 15 (3) **One million five hundred thousand dollars (\$1,500,000) is**
16 **appropriated each state fiscal year to the state department of**
17 **health for prenatal substance abuse programs.**
- 18 (4) The remainder of the taxes, registration fees, fines, or
19 penalties collected under this chapter shall be deposited as
20 provided in IC 6-7-1-28.1.

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