

WORKING DRAFT

HOUSE BILL NO. _____

Cigarette tax-2.

Sponsored by: Joint Labor, Health and Social Services
Interim Committee

A BILL

for

1 AN ACT relating to taxation and revenue; providing for an
2 increase in cigarette taxes as specified; providing for
3 distribution; providing conforming amendments; and
4 providing for an effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

7

8 **Section 1.** W.S. 39-18-103(a)(i) through (iv), (c)(i)
9 through (iv), 39-18-104(a) and (b), 39-18-107(b)(i) and
10 (ii), 39-18-111(a)(intro), (b) and by creating new
11 subsections (c) and (d) are amended to read:

12

13 **39-18-103. Imposition.**

14

1 (a) Taxable event. The following event shall
2 constitute a taxable event under this article:

3

4 (i) There is levied and shall be collected and
5 paid to the department an excise tax ~~of six-tenths of a~~
6 ~~cent (\$.006)~~ at the rate imposed by W.S. 39-18-104(a) upon
7 the sale of each cigarette sold by wholesalers;

8

9 (ii) There is levied and shall be paid to the
10 department an excise tax ~~of six-tenths of a cent (\$.006)~~ at
11 the rate imposed by W.S. 39-18-104(b) upon the use or
12 storage by consumers of cigarettes in Wyoming but only if
13 the tax imposed by paragraph (i) of this subsection has not
14 been paid;

15

16 (iii) In addition to the other taxes imposed by
17 this subsection, there is levied and assessed upon cigars,
18 snuff and other tobacco products purchased or imported into
19 this state by wholesalers for resale, except cigarettes
20 taxed under this subsection, an excise tax at the rate ~~of~~
21 ~~twenty percent (20%)~~ imposed by W.S. 39-18-104(c) of the
22 wholesale purchase price at which the tobacco products are
23 purchased by wholesalers from manufacturers;

24

1 (iv) The tax imposed by paragraph (iii) of this
2 subsection shall also be imposed upon the use or storage by
3 consumers of cigars, snuff and other tobacco products in
4 this state, and upon those consumers, at the rate ~~of ten~~
5 ~~percent (10%)~~ imposed by W.S. 39-18-104(d) of the retail
6 price of the cigar, snuff or other tobacco product. This
7 tax shall not apply if the tax imposed by paragraph (iii)
8 of this subsection has been paid.

9
10 (c) Taxpayer. The following taxpayers are liable for
11 the tax imposed by this article:

12
13 (i) There is levied and shall be collected and
14 paid to the department an excise tax ~~of six-tenths of a~~
15 ~~cent (\$.006)~~ at the rate imposed by W.S. 39-18-104(a) upon
16 the sale of each cigarette sold by wholesalers;

17
18 (ii) There is levied and shall be paid to the
19 department an excise tax ~~of six-tenths of a cent (\$.006)~~ at
20 the rate imposed by W.S. 39-18-104(b) upon the use or
21 storage by consumers of cigarettes in Wyoming but only if
22 the tax imposed by paragraph (i) of this subsection has not
23 been paid;

24

1 (iii) In addition to the other taxes imposed by
2 this subsection, there is levied and assessed upon cigars,
3 snuff and other tobacco products purchased or imported into
4 this state by wholesalers for resale, except cigarettes
5 taxed under this subsection, an excise tax at the rate ~~of~~
6 ~~twenty percent (20%)~~ imposed by W.S. 39-18-104(c) of the
7 wholesale purchase price at which the tobacco products are
8 purchased by wholesalers from manufacturers;

9
10 (iv) The tax imposed by paragraph (iii) of this
11 subsection shall also be imposed upon the use or storage by
12 consumers of cigars, snuff and other tobacco products in
13 this state, and upon those consumers, at the rate ~~of ten~~
14 ~~percent (10%)~~ imposed by W.S. 39-18-104(d) of the retail
15 price of the cigar, snuff or other tobacco product. This
16 tax shall not apply if the tax imposed by paragraph (iii)
17 of this subsection has been paid.

18
19 **39-18-104. Taxation rate.**

20
21 (a) There is levied and shall be collected and paid
22 to the department an excise tax ~~of six-tenths of a cent~~
23 ~~(\$.006)~~ upon the sale of each cigarette sold by
24 wholesalers as follows:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

(i) Six-tenths of a cent (\$.006); and

(ii) Three cents (\$.03).

(b) There is levied and shall be paid to the department an excise tax ~~of six-tenths of a cent (\$.006)~~ upon the use or storage by consumers of cigarettes in Wyoming but only if the tax imposed by subsection (a) of this section has not been paid as follows:

(i) Six-tenths of a cent (\$.006); and

(ii) Three cents (\$.03).

39-18-107. Compliance; collection procedures.

(b) Payment. The following shall apply:

(i) There is levied and shall be collected and paid to the department an excise tax ~~of six-tenths of a cent (\$.006)~~ at the rate imposed by W.S. 39-18-104(a) upon the sale of each cigarette sold by wholesalers;

1 (ii) There is levied and shall be paid to the
2 department an excise tax ~~of six tenths of a cent (\$.006) at~~
3 the rate imposed by W.S. 39-18-104(b) upon the use or
4 storage by consumers of cigarettes in Wyoming but only if
5 the tax imposed by paragraph (i) of this subsection has not
6 been paid;

7
8 **39-18-111. Distribution.**

9
10 (a) ~~Except as provided by subsection (b) of this~~
11 ~~section,~~ Thirty-three and one-third percent (33 1/3%) of
12 the taxes collected pursuant to ~~this article~~ W.S.
13 39-18-104(a)(i) and (b)(i) shall be distributed to
14 incorporated cities and towns and to boards of county
15 commissioners in the proportion the cigarette taxes derived
16 from sales within each incorporated city or town or county
17 bears to total cigarette taxes collected. The remainder
18 shall be transferred to the state treasurer who shall
19 distribute it as follows:

20
21 (b) The revenue received from the tax imposed by W.S.
22 ~~39-18-103(a)(iii) and (iv)~~ 39-18-104(c) and (d) shall be
23 deposited in the general fund.
24

1 (c) Until June 30, 2006, the revenue received from
2 the tax imposed by W.S. 39-18-104(a)(ii) and (b)(ii) shall
3 be deposited in an earmarked account from which the
4 department of health shall receive by legislative
5 appropriation an amount necessary for the child health
6 insurance program created by W.S. 35-25-101. Any remaining
7 amounts in the earmarked account shall be transferred to
8 the state treasurer who shall distribute it as follows:

9
10 (i) Twenty-five percent (25%) shall be
11 distributed to and is continuously appropriated to the
12 department of health for the prescription drug assistance
13 program created by W.S. 42-4-118 and for the pharmacy plus
14 program if 2003 Senate File xxxx is enacted into law;

15
16 (ii) Twenty-five percent (25%) shall be
17 distributed and is continuously appropriated to the
18 department of health to increase the reimbursement rate to
19 health care providers under the Wyoming Medical Assistance
20 and Services Act;

21
22 (iii) Twenty-five percent (25%) shall be
23 deposited into the Wyoming tobacco settlement trust fund
24 income account created by W.S. 9-4-1203(b) and is

1 continuously appropriated to the substance abuse control
2 plan established by W.S. 9-2-2701 through 9-2-2707.

3

4 (iv) Twenty-five percent (25%) shall be
5 distributed to incorporated cities and towns and to boards
6 of county commissioners in the proportion the cigarette
7 taxes derived from sales within each incorporated city or
8 town or county bears to total cigarette taxes collected.

9

10 (d) Effective July 1, 2006, the revenue received
11 from the tax imposed by W.S. 39-18-104(a)(ii) and (b)(ii)
12 shall be deposited in the general fund.

13

14 **Section 2.** This act is effective July 1, 2003.

15

16

(END)