

HOUSE BILL NO. HB0110

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) and  
9 (c)(i) through (iv), 39-18-104(a) and (b), 39-18-107(b)(i)  
10 and (ii) and 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

15 (a) Taxable event. The following event shall  
16 constitute a taxable event under this article:

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) 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;

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

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

(iv) The tax imposed by paragraph (iii) of this subsection shall also be imposed upon the use or storage by

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

7

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

10

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

15

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

22

23 (iii) In addition to the other taxes imposed by  
24 this subsection, there is levied and assessed upon cigars,

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

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

16

17 **39-18-104. Taxation rate.**

18

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

23

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

1

2

(ii) Two and four-tenths cents (\$.024).

3

4

(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:

9

10

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

11

12

(ii) Two and four-tenths cents (\$.024).

13

14

**39-18-107. Compliance; collection procedures.**

15

16

(b) Payment. The following shall apply:

17

18

(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;

22

23

24

(ii) There is levied and shall be paid to the department an excise tax ~~of six-tenths of a cent (\$.006)~~ at

1 the rate imposed by W.S. 39-18-104(b) upon the use or  
2 storage by consumers of cigarettes in Wyoming but only if  
3 the tax imposed by paragraph (i) of this subsection has not  
4 been paid;

5

6 **39-18-111. Distribution.**

7

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

18

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

22

23 (c) Until June 30, 2006, the revenue received from  
24 the tax imposed by W.S. 39-18-104(a)(ii) and (b)(ii) shall

1 be deposited in an earmarked account from which the  
2 department of health shall receive by legislative  
3 appropriation an amount necessary for the child health  
4 insurance program created by W.S. 35-25-101. Any remaining  
5 amounts in the earmarked account shall be transferred to  
6 the state treasurer who shall distribute it as follows:

7  
8 (i) Twenty-five percent (25%) shall be  
9 distributed to and is continuously appropriated to the  
10 department of health for the prescription drug assistance  
11 program created by W.S. 42-4-118 and for the pharmacy plus  
12 program if 2003 House Bill 0043 is enacted into law;

13  
14 (ii) Twenty-five percent (25%) shall be  
15 distributed and is continuously appropriated to the  
16 department of health to increase the reimbursement rate to  
17 health care providers under the Wyoming Medical Assistance  
18 and Services Act;

19  
20 (iii) Twenty-five percent (25%) shall be  
21 deposited into the Wyoming tobacco settlement trust fund  
22 income account created by W.S. 9-4-1203(b) and is  
23 continuously appropriated to the substance abuse control  
24 plan established by W.S. 9-2-2701 through 9-2-2707;

1

2

3

4

5

6

7

8

9

10

11

12

13

14

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

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

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

(END)