

2011 Legislation—Tobacco Tax

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House Bills

HB 198 **Tobacco Related Penalty Amendments**

Amends: 59-14-214, 59-14-407, 59-14-606

Enacts: 59-14-103

Effective: 5/10/11

Increases the penalties for the failure to file certain cigarette and tobacco information returns required in conjunction with the tobacco Master Settlement Agreement to match the penalties currently in place for failure to file other cigarette and tobacco information returns.

- The penalty is increased from \$50 per return (up to a maximum of \$1,000) to a class B misdemeanor plus a fine not to exceed the greater of \$5,000 or 500% of the retail value of the cigarettes and tobacco products for which the report was improperly made.
- The increase in the penalties is intended to evidence that the state is diligently enforcing the Master Settlement Agreement, thus assuring the state's continued receipt of its share of the tobacco litigation settlement money.

HB 201 **Tobacco Licensing Amendments**

Amends: 26-42-103, 59-14-203.5, 59-14-301, 59-14-301.5

Effective: 5/10/11

Clarifies that the penalty requiring revocation of an entity's cigarette or tobacco license for a fourth violation of the statute prohibiting the selling of cigarettes or tobacco products to a person under the age of 19 is for a period of one year after:

1. The day on which the time for appealing the revocation ends; or
2. If the revocation is appealed, the day on which the decision to uphold the revocation becomes final.

Senate Bills

SB 262 **Tobacco Products Amendments**

Amends: 59-14-102, 59-14-302

Effective: 7/1/11

Adjusts the tobacco products tax rate on little cigars to be the same tax rate as on cigarettes; little cigars will continue to pay the tax on returns (no little cigar stamps).