

# SENATE BILL No. 359

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-7-2.

**Synopsis:** Tobacco products tax. Beginning January 1, 2023, provides for a \$0.72 per cigar tobacco products tax cap for cigars with a wholesale price exceeding \$3 per cigar.

**Effective:** January 1, 2023.

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## Bohacek

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January 11, 2022, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

# SENATE BILL No. 359



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 6-7-2-7, AS AMENDED BY P.L.165-2021,  
2 SECTION 107, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JANUARY 1, 2023]: Sec. 7. (a) A tax is imposed on the  
4 distribution of tobacco products in Indiana at the ~~rate of:~~ **following**  
5 **rates:**  
6 (1) Twenty-four percent (24%) of the wholesale price of tobacco  
7 products other than moist snuff **and cigars.** ~~or~~  
8 (2) For moist snuff, forty cents (\$0.40) per ounce, and a  
9 proportionate tax at the same rate on all fractional parts of an  
10 ounce. If the tax calculated for a fractional part of an ounce  
11 carried to the third decimal place results in the numeral in the  
12 third decimal place being greater than four (4), the amount of the  
13 tax shall be rounded to the next additional cent.  
14 (3) **For cigars:**  
15 (A) **twenty-four percent (24%) of the wholesale price of a**  
16 **cigar for cigars having a wholesale price not exceeding**  
17 **three dollars (\$3) per cigar; or**



- 1                   **(B) seventy-two cents (\$0.72) per cigar for cigars having a**  
 2                   **wholesale price exceeding three dollars (\$3) per cigar.**  
 3           (b) The distributor of the tobacco products, including a person that  
 4 sells tobacco products through an Internet web site, is liable for the tax  
 5 imposed under subsection (a). The tax is imposed at the time the  
 6 distributor:  
 7           (1) brings or causes tobacco products to be brought into Indiana  
 8 for distribution;  
 9           (2) manufactures tobacco products in Indiana for distribution; or  
 10           (3) transports tobacco products to retail dealers in Indiana for  
 11 resale by those retail dealers.  
 12           (c) The Indiana general assembly finds that the tax rate on  
 13 smokeless tobacco should reflect the relative risk between such  
 14 products and cigarettes.  
 15           (d) A consumer who purchases untaxed tobacco products from a  
 16 distributor or retailer, including through an Internet web site, a catalog,  
 17 or other similar means, is liable for the tax imposed under subsection  
 18 (a).  
 19           SECTION 2. IC 6-7-2-12, AS AMENDED BY P.L.165-2021,  
 20 SECTION 110, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JANUARY 1, 2023]: Sec. 12. Before the fifteenth day  
 22 of each month, each distributor liable for a tax imposed by this chapter  
 23 shall:  
 24           (1) file a return with the department that includes all information  
 25 required by the department including, but not limited to:  
 26           (A) name of distributor;  
 27           (B) address of distributor;  
 28           (C) license number of distributor;  
 29           (D) invoice date;  
 30           (E) invoice number;  
 31           (F) name and address of person from whom taxable products  
 32 were purchased or name and address of person to whom  
 33 taxable products were sold;  
 34           (G) the wholesale price for tobacco products other than moist  
 35 snuff **and cigars;**  
 36           (H) for moist snuff, the weight of the moist snuff; ~~and~~  
 37           **(I) for cigars, the wholesale price of the cigars; and**  
 38           ~~(J)~~ **(J)** for closed system cartridges, the wholesale price of  
 39 closed system cartridges sold; and  
 40           (2) pay the taxes for which it is liable under this chapter for the  
 41 preceding month minus the amount specified in section 13 of this  
 42 chapter.



1 All returns required to be filed and taxes required to be paid under this  
2 chapter must be made in an electronic format prescribed by the  
3 department.

4 SECTION 3. [EFFECTIVE JANUARY 1, 2023] (a) **IC 6-7-2-7 and**  
5 **IC 6-7-2-12, both as amended by this act, apply to taxable years**  
6 **beginning after December 31, 2022.**

7 (b) **This SECTION expires July 1, 2025.**

