

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1407 Session of
2023

INTRODUCED BY BOYD, JUNE 13, 2023

REFERRED TO COMMITTEE ON HEALTH, JUNE 13, 2023

AN ACT

1 Amending the act of June 22, 2000 (P.L.394, No.54), entitled "An
2 act requiring certain tobacco product manufacturers to place
3 certain moneys into an escrow fund; conferring powers and
4 duties upon the Attorney General and the Department of
5 Revenue; and imposing penalties," further providing for
6 definitions.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The definition of "units sold" in section 3 of
10 the act of June 22, 2000 (P.L.394, No.54), known as the Tobacco
11 Settlement Agreement Act, is amended to read:

12 Section 3. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section:

15 * * *

16 "Units sold." The number of individual cigarettes sold in
17 this Commonwealth by the applicable tobacco product manufacturer
18 during the year in question[, as measured by taxes collected by
19 the Commonwealth on packs bearing the tax stamp of the
20 Commonwealth required under section 1215 of the act of March 4,

1 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971; by
2 taxes collected by the Commonwealth on "roll-your-own" tobacco
3 containers which are not required to have a tax stamp under
4 section 1215 of the Tax Reform Code of 1971; and by taxes
5 collected by the Commonwealth on cigarettes sold without a tax
6 stamp, when authorized by the Department of Revenue, under
7 section 1215(h) of the Tax Reform Code of 1971. The Department
8 of Revenue shall promulgate such regulations as are necessary to
9 ascertain the amount of State tax paid on the cigarettes of such
10 tobacco product manufacturer for each year.] on which the
11 Commonwealth has authority under Federal law to collect State
12 excise tax, notwithstanding whether the State excise taxes were
13 imposed or collected by the Commonwealth. Cigarettes that are
14 exempt from State excise taxes under Federal law are
15 specifically excluded from this definition. The Department of
16 Revenue shall promulgate regulations necessary to ascertain the
17 number of cigarettes sold by the tobacco product manufacturer in
18 this Commonwealth for each year.

19 Section 2. The following shall apply:

20 (1) The Office of Attorney General shall attempt to
21 obtain the consent of the participating manufacturers under
22 the Master Settlement Agreement to the amendment of the
23 definition of "units sold" in section 3 of the act.

24 (2) If consent is obtained under paragraph (1), the
25 Office of Attorney General shall:

26 (i) provide notice to the Secretary of Revenue; and

27 (ii) transmit notice of the consent to the
28 Legislative Reference Bureau for publication in the next
29 available issue of the Pennsylvania Bulletin.

30 (3) If consent is not obtained under paragraph (1), the

1 Office of Attorney General shall:

2 (i) notify the Secretary of Revenue; and

3 (ii) transmit notice of the refusal to the

4 Legislative Reference Bureau for publication in the next

5 available issue of the Pennsylvania Bulletin.

6 Section 3. This act shall take effect as follows:

7 (1) The amendment of the definition of "units sold" in
8 section 3 of the act shall take effect 60 days after
9 publication of the notice of consent under section 2(2)(ii)
10 of this act.

11 (2) The remainder of this act shall take effect
12 immediately.