

2010 -- H 7238

LC00886

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO TAXATION – CIGARETTE TAX

Introduced By: Representatives Almeida, Carnevale, Williams, Diaz, and Slater

Date Introduced: January 27, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-20.2-1 of the General Laws in Chapter 44-20.2 entitled "Little
2 Cigar Tax" is hereby amended to read as follows:

3 **44-20.2-1. Definitions.** – Whenever used in this chapter, unless the context requires
4 otherwise:

5 (1) "Administrator" means the tax administrator;

6 (2) "Little cigars" means and includes any roll, made wholly or in part of tobacco,
7 irrespective of size or shape and irrespective of whether the tobacco is flavored, adulterated or
8 mixed with any other ingredient, [that is not a cigarette pursuant to section 44-20-1](#), where such
9 roll has a wrapper or cover made of tobacco wrapped in leaf tobacco or any substance containing
10 tobacco paper or any other material, [and where such roll has a cellulose acetate integrated filter](#)
11 except where such ~~wrapper is wholly or in greater part made of tobacco and such~~ roll weighs over
12 ~~three (3) pounds~~ [three and a half pounds \(3.5 lbs.\)](#) per thousand (1,000);

13 (3) "Dealer" means any person whether located within or outside of this state, who sells
14 or distributes little cigars to a consumer in this state;

15 (4) "Distributor" means any person:

16 (A) Whether located within or outside of this state, other than a dealer, who sells or
17 distributes little cigars within or into this state. Such term shall not include any little cigar
18 manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C.
19 section 5712, if such person sells or distributes little cigars in this state only to licensed

1 distributors, or to an export warehouse proprietor or another manufacturer with a valid permit
2 under 26 U.S.C. section 5712;

3 (B) Selling little cigars directly to consumers in this state by means of at least twenty-
4 five (25) little cigar vending machines.

5 (5) "Importer" means any person who imports into the United States, either directly or
6 indirectly, a finished little cigar for sale or distribution;

7 (6) "Licensed" when used with reference to a manufacturer, importer, distributor or
8 dealer, means only those persons who hold a valid and current license issued under section 44-20-
9 2 for the type of business being engaged in. When the term "licensed" is used before a list of
10 entities, such as "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term
11 shall be deemed to apply to each entity in such list;

12 (7) "Manufacturer" means any person who manufactures, fabricates, assembles,
13 processes, or labels a finished little cigar;

14 (8) "Person" means any individual, firm, fiduciary, partnership, corporation, trust, or
15 association, however formed;

16 (9) "Place of business" means and includes any place where little cigars are sold or
17 where little cigars are stored or kept for the purpose of sale or consumption, including any vessel,
18 vehicle, airplane, train, or vending machine;

19 (10) "Sale" or "Sell" includes and applies to gifts, exchanges, and barter;

20 (11) "Snuff" means any finely cut, ground, or powdered tobacco that is not intended to
21 be smoked;

22 (12) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,
23 or made as prescribed by the administrator to be affixed to packages of little cigars, as evidence
24 of the payment of the tax provided by this chapter or to indicate that the little cigars are intended
25 for a sale or distribution in this state that is exempt from state tax under the provisions of state
26 law and also includes impressions made by metering machines authorized to be used under the
27 provisions of this chapter.

28 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would clarify that a little cigar is not a cigarette for purposes of taxation, and
- 2 would include all such items not defined as a cigarette, provided that the tobacco leaf roll, made
- 3 in whole or in part to make that little cigar, is less than 3.5 pounds per thousand.
- 4 This act would take effect upon passage.

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