

By: Harris of Anderson

H.B. No. 4865

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the taxation of cigars, tobacco products, and oral
3 nicotine products; providing penalties; creating criminal
4 offenses; requiring and expanding the applicability of
5 occupational permits; imposing a tax.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 155.001, Tax Code, is amended by adding
8 Subdivisions (1-a), (5-a), (5-b), (12-a), (13-b), (13-c), (14-a),
9 (14-b), and (14-c) and amending Subdivisions (2), (8), (12), (14),
10 and (15) to read as follows:

11 (1-a) "Chewing tobacco" means any leaf tobacco that is
12 not intended to be smoked, other than moist snuff.

13 (2) "Cigar" means a roll of [~~fermented~~] tobacco [~~that~~
14 ~~is~~] wrapped in tobacco leaf or in another substance containing
15 tobacco. The term does not include a cigarette as defined by
16 Section 154.001 [~~and the main stream of smoke from which produces an~~
17 ~~alkaline reaction to litmus paper].~~

18 (5-a) "Delivery sale" means any sale of chewing
19 tobacco, snuff, or roll-your-own tobacco to a consumer in this
20 state if:

21 (A) the consumer submits the order by means of a
22 telephone or another method of voice transmission, the mail, the
23 Internet or another online service, or by other means where the
24 seller is otherwise not in the physical presence of the consumer

1 when the order is made; or

2 (B) the chewing tobacco, snuff, or roll-your-own
3 tobacco is delivered to the consumer by common carrier, private
4 delivery service, or other method of remote delivery or the seller
5 is otherwise not in the physical presence of the consumer when the
6 consumer obtains possession of the chewing tobacco, snuff, or
7 roll-your-own tobacco.

8 (5-b) "Delivery seller" means a person located inside
9 this state who makes delivery sales of chewing tobacco, snuff, or
10 roll-your-own tobacco.

11 (8) "First sale" means, except as otherwise provided
12 by this chapter:

13 (A) the first transfer of possession in
14 connection with a purchase, sale, or any exchange for value of
15 tobacco products in or into this state, which:

16 (i) includes the sale of tobacco products
17 by:

18 (a) a distributor in or outside this
19 state to a distributor, wholesaler, or retailer in this state; and

20 (b) a manufacturer in this state who
21 transfers the tobacco products in this state; and

22 (ii) does not include:

23 (a) the sale of tobacco products by a
24 manufacturer outside this state to a distributor in this state;

25 (b) the transfer of tobacco products
26 from a manufacturer outside this state to a bonded agent in this
27 state; or

1 (c) the sale of tobacco products by a
2 manufacturer, bonded agent, distributor, or importer to an
3 interstate warehouse in this state;

4 (B) the first transfer of possession in
5 connection with a remote retail sale of cigars or pipe tobacco in or
6 into this state, which includes the sale of cigars or pipe tobacco
7 by a remote retail seller outside this state to a consumer in this
8 state;

9 (C) the first use or consumption of tobacco
10 products in this state; or

11 (D) [~~(C)~~] the loss of tobacco products in this
12 state whether through negligence, theft, or other unaccountable
13 loss.

14 (12) "Permit holder" means a bonded agent, interstate
15 warehouse, distributor, wholesaler, manufacturer, importer, export
16 warehouse, remote retail seller, or retailer who obtains a permit
17 under Section 155.041.

18 (12-a) "Pipe tobacco" means any tobacco which, because
19 of its appearance, type, packaging, or labeling, is suitable for
20 use and is likely to be offered to or purchased by consumers as
21 tobacco to be smoked in a pipe.

22 (13-b) "Remote retail sale" means any sale of cigars or
23 pipe tobacco to a consumer in this state if:

24 (A) the consumer submits the order by means of a
25 telephone or another method of voice transmission, the mail, the
26 Internet or another online service, or by other means where the
27 seller is otherwise not in the physical presence of the consumer

1 when the order is made; or

2 (B) the cigars or pipe tobacco is delivered to
3 the consumer by common carrier, private delivery service, or other
4 method of remote delivery or the seller is otherwise not in the
5 physical presence of the consumer when the consumer obtains
6 possession of the cigar or pipe tobacco.

7 (13-c) "Remote retail seller" means a person located
8 inside or outside this state who makes remote retail sales of cigars
9 or pipe tobacco.

10 (14) "Retailer" means a person who engages in the
11 business of selling tobacco products to consumers. The term [and]
12 includes the owner of a vending machine and a delivery seller.

13 (14-a) "Roll-your-own tobacco" means any tobacco
14 which, because of its appearance, type, packaging, or labeling, is
15 suitable for use and likely to be offered to or purchased by
16 consumers as tobacco for making cigarettes, cigars, or wrappers for
17 cigarettes or cigars.

18 (14-b) "Sale" means any transfer, exchange, or barter
19 for consideration. The term includes:

20 (A) a gift by a person engaged in the business of
21 selling tobacco products for advertising, as a means of evading
22 this chapter, or for any other purpose;

23 (B) the solicitation of orders for future
24 delivery; and

25 (C) a sale for future delivery.

26 (14-c) "Snuff" means any finely cut, ground, or
27 powdered tobacco that is not intended to be smoked.

1 (15) "Tobacco product":

2 (A) means:

3 (i) ~~[(A)]~~ a cigar;

4 (ii) pipe ~~[(B) smoking]~~ tobacco;

5 (iii) roll-your-own tobacco ~~[, including~~
6 ~~granulated, plug-cut, crimp-cut, ready-rubbed, and any form of~~
7 ~~tobacco suitable for smoking in a pipe or as a cigarette]~~;

8 (iv) ~~[(C)]~~ chewing tobacco ~~[, including~~
9 ~~Cavendish, Twist, plug, scrap, and any kind of tobacco suitable for~~
10 ~~chewing]~~; and

11 (v) ~~[(D)]~~ snuff; and

12 (B) does not include:

13 (i) an oral nicotine product as defined by
14 Section 164.001;

15 (ii) ~~[or other preparations of pulverized~~
16 ~~tobacco; or~~

17 ~~[(E) an article or product that is made of~~
18 ~~tobacco or a tobacco substitute and that is not]~~ a cigarette as
19 defined by Section 154.001; or

20 (iii) an e-cigarette as defined by Section
21 161.081, Health and Safety Code.

22 SECTION 2. Sections 155.021(a) and (c), Tax Code, are
23 amended to read as follows:

24 (a) A tax is imposed and becomes due and payable when:

25 (1) a permit holder receives cigars for the purpose of
26 making a first sale in this state; or

27 (2) a remote retail seller located outside this state

1 makes a first sale of cigars to a consumer in this state.

2 (c) Cigars taxed under Subsections (b)(3) and (b)(4) of this
3 section are presumed to contain a substantial amount of nontobacco
4 ingredients unless the report on the cigars required by Section
5 155.111 [~~of this code~~] is accompanied by an affidavit stating that
6 specific cigars described in the report do not contain sheet
7 wrapper, sheet binder, or sheet filler. If the manufacturer
8 prepares the report, the manufacturer shall make the affidavit. If
9 the distributor prepares the report, the manufacturer and the
10 distributor shall make the affidavit. If the remote retail seller
11 prepares the report, the manufacturer and the remote retail seller
12 shall make the affidavit.

13 SECTION 3. Section 155.0211(a), Tax Code, is amended to
14 read as follows:

15 (a) A tax is imposed and becomes due and payable when:

16 (1) a permit holder receives tobacco products, other
17 than cigars, for the purpose of making a first sale in this state;
18 or

19 (2) a remote retail seller located outside this state
20 makes a first sale of pipe tobacco to a consumer in this state.

21 SECTION 4. Subchapter B, Chapter 155, Tax Code, is amended
22 by adding Section 155.0235 to read as follows:

23 Sec. 155.0235. OUT-OF-STATE REMOTE RETAIL SELLERS:

24 LIABILITY FOR AND PAYMENT OF TAX. (a) A permitted remote retail
25 seller located outside this state who makes a first sale of cigars
26 or pipe tobacco to a consumer in this state is liable for and shall
27 pay the tax imposed by this chapter.

1 (b) A remote retail seller located outside this state shall
2 pay the tax on cigars and pipe tobacco sold to consumers in this
3 state at the time the remote retail seller files the report required
4 by Section 155.1115. The remote retail seller shall pay the tax by
5 cashier's check payable to the comptroller, by electronic funds
6 transfer to the comptroller, or by any other method of payment
7 authorized by the comptroller.

8 SECTION 5. Section 155.026(a), Tax Code, is amended to read
9 as follows:

10 (a) A distributor or remote retail seller who fails to
11 timely pay the tax when due shall pay five percent of the amount of
12 tax then due as a penalty, and if the distributor or remote retail
13 seller fails to pay the tax on or before the 30th day after the day
14 on which the tax is due, the distributor or remote retail seller
15 shall pay an additional five percent of the amount of tax then due.

16 SECTION 6. Sections 155.041(a), (b), and (h), Tax Code, are
17 amended to read as follows:

18 (a) A person may not engage in business as a distributor,
19 wholesaler, bonded agent, interstate warehouse, manufacturer,
20 export warehouse, importer, remote retail seller, or retailer
21 unless the person has applied for and received the applicable
22 permit from the comptroller.

23 (b) Each distributor, wholesaler, bonded agent, interstate
24 warehouse, manufacturer, export warehouse, importer, remote retail
25 seller, or retailer shall obtain a permit for each place of business
26 owned or operated by the distributor, wholesaler, bonded agent,
27 interstate warehouse, manufacturer, export warehouse, importer,

1 remote retail seller, or retailer.

2 (h) Permits for engaging in business as a distributor,
3 wholesaler, bonded agent, interstate warehouse, manufacturer,
4 export warehouse, importer, remote retail seller, or retailer shall
5 be governed exclusively by the provisions of this code.

6 SECTION 7. Section [155.0415](#), Tax Code, is amended by adding
7 Subsection (k) to read as follows:

8 (k) A permitted remote retail seller may sell cigars and
9 pipe tobacco only to a consumer in this state. A permitted remote
10 retailer seller located in this state may purchase cigars and pipe
11 tobacco from a permitted distributor or wholesaler in this state,
12 notwithstanding any other provision of this section.

13 SECTION 8. Subchapter C, Chapter [155](#), Tax Code, is amended
14 by adding Section 155.0416 to read as follows:

15 Sec. 155.0416. REMOTE RETAIL SELLER PERMIT. (a) A person
16 located inside or outside this state may not make a remote retail
17 sale of cigars or pipe tobacco to a consumer in this state unless
18 the person holds a remote retail seller permit.

19 (b) Unless a remote retail seller located outside this state
20 is exempt under comptroller rule from the requirement to obtain a
21 permit under Section [151.201](#) based on annual revenue from sales to
22 persons in this state, the remote retail seller shall:

23 (1) apply for and obtain a permit under Section
24 [151.201](#); and

25 (2) collect and remit the taxes imposed under this
26 chapter and Chapter [151](#).

27 (c) A remote retail seller shall use an independent,

1 third-party age verification service that compares information
2 available from a commercially available database, or aggregate of
3 databases, that is regularly used by government agencies and
4 businesses for the purpose of age and identity verification to
5 verify the personal information entered by the individual during
6 the ordering process and establish that the individual is of age.

7 SECTION 9. Section 155.048(a), Tax Code, is amended to read
8 as follows:

9 (a) The comptroller shall issue a permit to a distributor,
10 wholesaler, bonded agent, interstate warehouse, manufacturer,
11 importer, remote retail seller, or retailer if the comptroller:

- 12 (1) has received an application and fee, if required;
13 (2) does not reject the application and deny the
14 permit under Section 155.0481; and
15 (3) determines that issuing the permit will not
16 jeopardize the administration and enforcement of this chapter.

17 SECTION 10. Section 155.049(b), Tax Code, is amended to
18 read as follows:

19 (b) An application for a permit required by this chapter
20 must be accompanied by a fee of:

- 21 (1) \$300 for a bonded agent's permit;
22 (1-a) \$300 for an interstate warehouse's permit;
23 (2) \$300 for a distributor's permit;
24 (3) \$200 for a wholesaler's permit;
25 (4) \$15 for each permit for a vehicle if the applicant
26 is also applying for a permit as a bonded agent, distributor, or
27 wholesaler or has received a current permit from the comptroller

1 under Sections 155.041 and 155.048; [~~and~~]

2 (5) \$180 for a retailer's permit; and

3 (6) \$180 for a remote retail seller's permit.

4 SECTION 11. Section 155.053, Tax Code, is amended by adding
5 Subsection (d) to read as follows:

6 (d) This section does not apply to a remote retail seller
7 permit holder.

8 SECTION 12. Section 155.058(a), Tax Code, is amended to
9 read as follows:

10 (a) Except as provided by Subsection (b), revenue from the
11 sale of permits to distributors, wholesalers, bonded agents, remote
12 retail sellers, and interstate warehouses is allocated in the same
13 manner that other revenue is allocated by Subchapter H.

14 SECTION 13. Section 155.101, Tax Code, is amended to read as
15 follows:

16 Sec. 155.101. RECORD OF PURCHASE OR RECEIPT. (a) Each
17 distributor, wholesaler, bonded agent, interstate warehouse, and
18 export warehouse shall keep records at each place of business of all
19 tobacco products purchased or received.

20 (b) Each retailer shall keep records at a single commercial
21 business location, which the retailer shall designate as its
22 principal place of business in the state, of all tobacco products
23 purchased and received.

24 (c) Each remote retail seller shall keep records at the
25 principal place of business location identified on the permit.

26 (d) The [~~These~~] records required by this section must
27 include:

1 (1) the name and address of the shipper or carrier and
2 the mode of transportation;

3 (2) all shipping records or copies of records,
4 including invoices, bills of lading, waybills, freight bills, and
5 express receipts;

6 (3) the date and the name of the place of origin of the
7 tobacco product shipment;

8 (4) the date and the name of the place of arrival of
9 the tobacco product shipment;

10 (5) a statement of the number, kind, and price paid for
11 the tobacco products;

12 (6) the name, address, permit number, and tax
13 identification number of the seller;

14 (7) in the case of a distributor, the manufacturer's
15 list price for the tobacco products;

16 (8) for tobacco products other than cigars, the net
17 weight as listed by the manufacturer for each unit; and

18 (9) any other information required by rules of the
19 comptroller.

20 SECTION 14. Subchapter D, Chapter 155, Tax Code, is amended
21 by adding Section 155.1115 to read as follows:

22 Sec. 155.1115. REMOTE RETAIL SELLERS: RECORDS AND REPORT.

23 (a) Each remote retail seller shall keep records of the sale or
24 other disposition of cigars and tobacco products as required by
25 comptroller rule.

26 (b) A remote retail seller located outside this state shall
27 file with the comptroller on or before the 25th day of each month a

1 report for the preceding month. The report must show:

2 (1) the date the report was made;

3 (2) the remote retail seller's name and address;

4 (3) the month the report covers;

5 (4) the amount of cigars and pipe tobacco sold to
6 consumers in this state; and

7 (5) any other information the comptroller requires
8 relating to cigars and pipe tobacco and to the payment of taxes due
9 on cigars and pipe tobacco.

10 (c) The comptroller shall prescribe the form and content of
11 the report under Subsection (b).

12 SECTION 15. Section 155.201(a), Tax Code, is amended to
13 read as follows:

14 (a) A person violates this chapter if the person:

15 (1) is a distributor, wholesaler, manufacturer,
16 export warehouse, importer, bonded agent, interstate warehouse,
17 manufacturer's representative, remote retail seller, or retailer
18 and fails to keep records required by this chapter;

19 (2) engages in the business of a bonded agent,
20 interstate warehouse, distributor, wholesaler, manufacturer,
21 export warehouse, importer, remote retail seller, or retailer
22 without a valid permit;

23 (3) is a distributor, wholesaler, manufacturer,
24 export warehouse, importer, bonded agent, interstate warehouse,
25 remote retail seller, or retailer and fails to make a report
26 required by this chapter to the comptroller or makes a false or
27 incomplete report or application required by this chapter to the

1 comptroller; or

2 (4) is a person affected by this chapter and fails or
3 refuses to abide by or violates a provision of this chapter or a
4 rule adopted by the comptroller under this chapter.

5 SECTION 16. Section 155.207, Tax Code, is amended to read as
6 follows:

7 Sec. 155.207. PERMITS. A person commits an offense if the
8 person acting:

9 (1) as a distributor, interstate warehouse,
10 wholesaler, or retailer, receives or possesses tobacco products
11 without having a valid permit;

12 (2) as a distributor, interstate warehouse,
13 wholesaler, or retailer, receives or possesses tobacco products
14 without having a permit posted where it can be easily seen by the
15 public;

16 (3) as a distributor, interstate warehouse, or
17 wholesaler, does not deliver an invoice to the purchaser as
18 required by Section 155.102;

19 (4) as a distributor, interstate
20 warehouse, wholesaler, remote retail seller, or retailer, sells
21 tobacco products without having a valid permit; or

22 (5) as a bonded agent, interstate warehouse, or
23 export warehouse, stores, distributes, or delivers tobacco
24 products on which the tax has not been paid without having a valid
25 permit.

26 SECTION 17. Section 155.211(b), Tax Code, is amended to
27 read as follows:

1 (b) This section does not prohibit transportation of
2 tobacco products by a common carrier, including as part of a remote
3 retail sale made by a permit holder.

4 SECTION 18. Subtitle E, Title 2, Tax Code, is amended by
5 adding Chapter 164 to read as follows:

6 CHAPTER 164. ORAL NICOTINE PRODUCTS TAX

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 164.001. DEFINITIONS. (a) Except as otherwise
9 provided by this section, terms defined by Chapter 155 and used in
10 this chapter have the meanings assigned by Chapter 155, except that
11 in this chapter the terms apply in relation to oral nicotine
12 products instead of tobacco products.

13 (b) In this chapter:

14 (1) "Oral nicotine product" means a noncombustible
15 product containing nicotine without the presence of tobacco leaf
16 that is intended for oral consumption, whether chewed, absorbed,
17 dissolved, or ingested, by a means other than inhalation. The term
18 does not include:

19 (A) a cigarette, as defined by Section 154.001;

20 (B) an e-cigarette, as defined by Section
21 161.081, Health and Safety Code; or

22 (C) a tobacco product, as defined by Section
23 155.001.

24 (2) "Permit holder" means a person who holds a permit
25 issued under Section 155.041 as a bonded agent, interstate
26 warehouse, distributor, wholesaler, manufacturer, importer, export
27 warehouse, or retailer.

1 Sec. 164.002. STORAGE. (a) The commercial business
2 location where oral nicotine products are stored or kept cannot be a
3 residence or a unit in a public storage facility.

4 (b) This section does not apply to a manufacturer's
5 representative.

6 Sec. 164.003. RULES. The comptroller may adopt rules to
7 implement, administer, and enforce this chapter.

8 SUBCHAPTER B. IMPOSITION AND RATE OF TAX

9 Sec. 164.051. TAX IMPOSED ON ORAL NICOTINE PRODUCTS. (a) A
10 tax is imposed and becomes due and payable when a person receives
11 oral nicotine products for the purpose of making a first sale in
12 this state.

13 (b) The rate of the tax is 120 cents per ounce.

14 (c) The computation of the tax under this section is based
15 on the net weight as listed by the manufacturer on the can or
16 package, rounded to the nearest one cent.

17 Sec. 164.052. LIABILITY FOR AND PAYMENT OF TAX. (a) The
18 person who receives oral nicotine products for the purpose of
19 making a first sale in this state is liable for the tax imposed by
20 this chapter.

21 (b) The person liable for the tax under Subsection (a) shall
22 pay the tax at the time the person files the report required by
23 Section 164.151. The person shall pay the tax by cashier's check
24 payable to the comptroller, by electronic funds transfer to the
25 comptroller, or by any other method of payment authorized by the
26 comptroller.

27 (c) A person in possession of oral nicotine products has the

1 burden to prove payment of the tax on the products.

2 Sec. 164.053. EXCEPTION FOR PERSONAL USE. A person who
3 personally transports oral nicotine products in quantities or
4 amounts that would ordinarily retail at \$4 or less is not required
5 to pay the tax imposed by this chapter if the person uses the oral
6 nicotine products and does not sell the products or offer the
7 products for sale.

8 Sec. 164.054. PENALTY FOR FAILURE TO PAY TAX. (a) A person
9 who fails to pay the tax when due is liable for a penalty in an
10 amount equal to five percent of the amount of tax due. A person who
11 fails to pay the tax on or before the 30th day after the date the tax
12 is due is liable for an additional penalty in an amount equal to
13 five percent of the amount of tax due.

14 (b) The minimum penalty imposed by this section is \$50.

15 (c) The dishonor of a check for payment of taxes constitutes
16 a failure to pay the tax when due.

17 (d) Venue for a suit for collection of a penalty for late
18 payment of taxes is in Travis County.

19 Sec. 164.055. IMPACT OF TAX. The ultimate consumer or user
20 in this state bears the impact of the tax imposed by this chapter.
21 If another person pays the tax, the amount of the tax is added to the
22 price charged to the ultimate consumer or user.

23 SUBCHAPTER C. PERMITS

24 Sec. 164.101. PERMITS. A permit issued under Section
25 155.041 applies to oral nicotine products in addition to and in the
26 same manner as tobacco products.

27 SUBCHAPTER D. RECORDS AND REPORTS

1 Sec. 164.151. RECORDS; REPORTS. (a) A permit holder under
2 Chapter 155 shall keep the same records for oral nicotine products
3 as the person is required to keep for tobacco products.

4 (b) A permit holder under Chapter 155 shall make the same
5 reports for oral nicotine products as the person is required to make
6 for tobacco products.

7 SUBCHAPTER E. ADMINISTRATION AND ENFORCEMENT

8 Sec. 164.201. APPLICABILITY OF OTHER LAW. The provisions
9 of Subchapters E, F, and G, Chapter 155, apply to oral nicotine
10 products in the same manner as tobacco products.

11 SUBCHAPTER F. DISPOSITION OF REVENUE

12 Sec. 164.251. GENERAL REVENUE FUND. The revenue from the
13 tax imposed by this chapter shall be deposited to the credit of the
14 general revenue fund.

15 SECTION 19. Section 161.081(5), Health and Safety Code, is
16 amended to read as follows:

17 (5) "Tobacco product" means a product that is:

18 (A) a cigar, as defined by Section 155.001, Tax
19 Code;

20 (B) smoking tobacco, including granulated,
21 plug-cut, crimp-cut, ready-rubbed, and any form of tobacco suitable
22 for smoking in a pipe or as a cigarette;

23 (C) chewing tobacco, including Cavendish, Twist,
24 plug, scrap, and any kind of tobacco suitable for chewing;

25 (D) snuff or other preparations of pulverized
26 tobacco; or

27 (E) an article or product that is made of tobacco

1 or a tobacco substitute and that is not a cigarette or an
2 e-cigarette [~~has the meaning assigned by Section 155.001, Tax~~
3 ~~Code~~].

4 SECTION 20. Section 161.121(5), Health and Safety Code, is
5 amended to read as follows:

6 (5) "Tobacco product" has the meaning assigned by
7 Section 161.081 [~~155.001, Tax Code~~].

8 SECTION 21. Section 161.251(2), Health and Safety Code, is
9 amended to read as follows:

10 (2) "Tobacco product" has the meaning assigned by
11 Section 161.081 [~~155.001, Tax Code~~].

12 SECTION 22. Section 161.351(3), Health and Safety Code, is
13 amended to read as follows:

14 (3) "Tobacco product" has the meaning assigned by
15 Section 161.081 [~~155.001, Tax Code~~].

16 SECTION 23. Section 161.613(b), Health and Safety Code, is
17 amended to read as follows:

18 (b) This subchapter does not apply to a tobacco product
19 described by Section 155.001(15)(A)(iv) [~~155.001(15)(C)~~], Tax
20 Code.

21 SECTION 24. Section 38.11(f)(4), Penal Code, is amended to
22 read as follows:

23 (4) "Tobacco product" has the meaning assigned by
24 Section 161.081, Health and Safety Code [~~155.001, Tax Code~~].

25 SECTION 25. Not later than January 1, 2024, the comptroller
26 of public accounts shall adopt rules necessary to implement the
27 changes in law made by this Act.

1 SECTION 26. Notwithstanding Section 155.0416, Tax Code, as
2 added by this Act, a person who makes a remote retail sale of cigars
3 or pipe tobacco is not required to hold a permit as a remote retail
4 seller before April 1, 2024.

5 SECTION 27. Chapter 164, Tax Code, as added by this Act,
6 applies only to oral nicotine products received on or after April 1,
7 2024, for the purpose of making a first sale in this state. Oral
8 nicotine products received for that purpose before that date are
9 governed by the law in effect immediately before the effective date
10 of this Act, and the former law is continued in effect for that
11 purpose.

12 SECTION 28. The changes in law made by this Act do not
13 affect tax liability accruing before the effective date of this
14 Act. That liability continues in effect as if this Act had not been
15 enacted, and the former law is continued in effect for the
16 collection of taxes due and for civil and criminal enforcement of
17 the liability for those taxes.

18 SECTION 29. This Act takes effect September 1, 2023.