

By: Wilson

H.B. No. 3141

A BILL TO BE ENTITLED

AN ACT

relating to stamping of cigarettes in interstate commerce.

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

SECTION 1. Section 154.152, Tax Code, is amended by adding Subsections (c), (d), (e), and (f) to read as follows:

(c) A person may not transport or cause to be transported from this state cigarettes for sale in another state without first affixing to the cigarettes the stamp required by the state in which the cigarettes are to be sold or paying any other excise tax on the cigarettes imposed by the state in which the cigarettes are to be sold; provided, however, that nothing in this section shall prohibit a distributor from transporting or causing to be transported from this state cigarettes to the distributor's location in another state or to the distributor's affiliated entity located in another state without first affixing stamps to the cigarettes.

(d) For purposes of this section, "affiliated entity" includes an entity that would be classified as a member of an affiliated group under 26 U.S.C. Section 1504 but for the exclusions provided by that section.

(e) A person may not affix to cigarettes the stamp required by another state or pay any other excise tax on the cigarettes imposed by another state if the other state prohibits stamps from being affixed to the cigarettes, prohibits the payment of any other

1 excise tax on the cigarettes, or prohibits the sale of the
2 cigarettes.

3 (f) Not later than the 15th day after the end of each
4 calendar quarter, a person who transports or causes to be
5 transported from this state cigarettes for sale in another state
6 shall submit to the attorney general a report identifying:

7 (1) the quantity of cigarettes, by brand style,
8 transported or caused to be transported in the preceding calendar
9 quarter; and

10 (2) the name and address of each recipient of the
11 cigarettes.

12 SECTION 2. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2003.