

1-1 By: Hamric (Senate Sponsor - Armbrister) H.B. No. 5
1-2 (In the Senate - Received from the House April 27, 2006;
1-3 April 27, 2006, read first time and referred to Committee on
1-4 Finance; May 7, 2006, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 5; May 7, 2006, sent
1-6 to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 5 By: Ogden

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to increases in the taxes on cigarettes and other tobacco
1-11 products.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 154.021(b), Tax Code, is amended to read
1-14 as follows:

1-15 (b) The tax rates are:

1-16 (1) \$70.50 [~~\$20.50~~] per thousand on cigarettes
1-17 weighing three pounds or less per thousand; and

1-18 (2) the rate provided by Subdivision (1) plus \$2.10
1-19 per thousand on cigarettes weighing more than three pounds per
1-20 thousand.

1-21 SECTION 2. Section 155.0211(b), Tax Code, is amended to
1-22 read as follows:

1-23 (b) The tax rate for tobacco products other than cigars is
1-24 40 [~~35.213~~] percent of the manufacturer's list price, exclusive of
1-25 any trade discount, special discount, or deal.

1-26 SECTION 3. The changes in law made by this Act do not affect
1-27 tax liability accruing before the effective date of this Act. That
1-28 liability continues in effect as if this Act had not been enacted,
1-29 and the former law is continued in effect for the collection of
1-30 taxes due and for civil and criminal enforcement of the liability
1-31 for those taxes.

1-32 SECTION 4. This Act takes effect January 1, 2007.

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