

By: Chisum

H.B. No. 1286

A BILL TO BE ENTITLED

AN ACT

relating to the tax imposed on certain tobacco products.

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

SECTION 1. Section 155.001, Tax Code, is amended by adding Subdivision (14-a) to read as follows:

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

SECTION 2. Section 155.0211, Tax Code, is amended by amending Subsection (b) and adding Subsections (c), (d), and (e) to read as follows:

(b) The tax rate for tobacco products other than cigars and snuff is 40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal.

(c) Except as provided by Subsection (d), the tax rate for each can or package of snuff is one dollar per ounce and a proportionate tax rate on all fractional parts of an ounce.

(d) The tax imposed on a can or package of snuff that weighs less than 1.2 ounces is equal to the amount of the tax imposed at the rate prescribed by Subsection (c) on a can or package of snuff that weighs 1.2 ounces.

(e) For purposes of Subsections (c) and (d), the tax on snuff shall be computed based on the net weight as listed by the manufacturer. The total tax to be imposed on a unit that contains multiple individual cans or packages is the sum of the taxes imposed

1 by Subsections (c) and (d) on each individual can or package  
2 intended for sale or distribution at retail.

3 SECTION 3. Section 155.101, Tax Code, is amended to read as  
4 follows:

5 Sec. 155.101. RECORD OF PURCHASE OR RECEIPT. Each  
6 distributor, wholesaler, bonded agent, and export warehouse shall  
7 keep records at each place of business of all tobacco products  
8 purchased or received. Each retailer shall keep records at a single  
9 location, which the retailer shall designate as its principal place  
10 of business in the state, of all tobacco products purchased and  
11 received. These records must include the following, except that  
12 Subdivision (7) applies to distributors only and Subdivision (8)  
13 applies only to the purchase or receipt of snuff:

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

16 (2) all shipping records or copies of records,  
17 including invoices, bills of lading, waybills, freight bills, and  
18 express receipts;

19 (3) the date and the name of the place of origin of the  
20 tobacco product shipment;

21 (4) the date and the name of the place of arrival of  
22 the tobacco product shipment;

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

25 (6) the name, address, permit number, and tax  
26 identification number of the seller;

27 (7) the manufacturer's list price for the tobacco

1 products; ~~and~~

2 (8) the net weight as listed by the manufacturer for  
3 each unit; and

4 (9) any other information required by rules of the  
5 comptroller.

6 SECTION 4. Section 155.102, Tax Code, is amended by adding  
7 Subsection (c) to read as follows:

8 (c) In addition to the information required under  
9 Subsection (b), the records for each sale, distribution, exchange,  
10 or use of snuff must show the net weight as listed by the  
11 manufacturer for each unit.

12 SECTION 5. Section 155.103, Tax Code, is amended by adding  
13 Subsection (a-1) and amending Subsection (b) to read as follows:

14 (a-1) In addition to the information required under  
15 Subsection (a), the records for each sale of snuff must show the net  
16 weight as listed by the manufacturer for each unit.

17 (b) A manufacturer who sells tobacco products to a permit  
18 holder in this state shall file with the comptroller, on or before  
19 the last day of each month, a report showing the information  
20 required to be listed by Subsections ~~[in Subsection]~~ (a) and (a-1),  
21 if applicable, for the previous month.

22 SECTION 6. Section 155.111, Tax Code, is amended by adding  
23 Subsection (b-1) to read as follows:

24 (b-1) In addition to the information required under  
25 Subsection (b), for snuff purchased, received, or acquired, the  
26 report must show the net weight as listed by the manufacturer for  
27 each unit.

SECTION 7. Section 155.2415, Tax Code, is amended to read as follows:

Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND. Notwithstanding Section 155.241, the following shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code:

(1) all proceeds from the collection of taxes imposed by Section 155.0211(b) [~~155.0211~~] attributable to the portion of the tax rate in excess of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal; and

(2) the amount of the proceeds from the collection of taxes imposed by Sections 155.0211(c) and (d) that is equal to the amount that, if the taxes imposed by Section 155.0211(b) were imposed on snuff, would be attributable to the portion of the tax rate under Section 155.0211(b) in excess of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal [~~, shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code~~].

SECTION 8. The changes in law made by this Act do not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 9. This Act takes effect September 1, 2007.