

By: Keffer

H.B. No. 3316

A BILL TO BE ENTITLED

AN ACT

relating to the cigarette tax and the tax on cigars and other tobacco products.

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

SECTION 1. Section 154.001(11), Tax Code, is amended to read as follows:

(11) "Individual package of cigarettes" means a package that contains not fewer than 20 ~~10~~ cigarettes.

SECTION 2. Section 154.111(b), Tax Code, is amended to read as follows:

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

(1) \$300 for a bonded agent's permit;

(2) \$300 for a distributor's permit;

(3) \$300 for a manufacturer's permit;

(4) \$200 for a wholesaler's permit;

(5) ~~(4)~~ \$15 for each permit for a vehicle if the applicant is also applying for a permit as a bonded agent, distributor, or wholesaler or has received a current permit from the comptroller under Sections 154.101 and 154.110; and

(6) ~~(5)~~ \$180 for a retailer's permit.

SECTION 3. Section 154.114(g), Tax Code, is amended to read as follows:

(g) If the comptroller suspends or revokes a permit, the

1   comptroller shall provide written notice of the suspension or  
2   revocation, within a reasonable time, to each [~~distributor and~~  
3   ~~wholesaler~~] permit holder in the state. A [~~distributor or~~  
4   ~~wholesaler~~] permit holder violates Section 154.1015(a) by selling  
5   or distributing cigarettes to a person whose permit has been  
6   suspended or revoked only after the [~~distributor or wholesaler~~]  
7   permit holder receives written notice of the suspension or  
8   revocation from the comptroller.

9           SECTION 4. Section 154.121(a), Tax Code, is amended to read  
10   as follows:

11           (a) Except as provided by Subsection (b), revenue from the  
12   sale of permits to manufacturers, distributors, wholesalers, and  
13   bonded agents is allocated in the same manner as other revenue  
14   allocated by Subchapter J.

15           SECTION 5. Section 154.509, Tax Code, is amended to read as  
16   follows:

17           Sec. 154.509. PERMITS. A person commits an offense if the  
18   person:

19                   (1) as a manufacturer, distributor, bonded agent,  
20   importer, wholesaler, or retailer, receives or possesses  
21   cigarettes without having a valid permit;

22                   (2) as a manufacturer, distributor, bonded agent,  
23   importer, wholesaler, or retailer, receives or possesses  
24   cigarettes without having a permit posted where it can be easily  
25   seen by the public;

26                   (3) as a distributor or wholesaler, does not deliver  
27   an invoice to the purchaser as required by Section 154.203;

1           (4) as a manufacturer, distributor, bonded agent,  
2 importer, wholesaler, or retailer, sells cigarettes without having  
3 a valid permit; or

4           (5) as a manufacturer, bonded agent, or importer,  
5 stores, distributes, or delivers cigarettes in unstamped packages  
6 without having a valid permit.

7           SECTION 6. Section 155.049(b), Tax Code, is amended to read  
8 as follows:

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

11           (1) \$300 for a bonded agent's permit;

12           (2) \$300 for a distributor's permit;

13           (3) \$300 for a manufacturer's permit;

14           (4) \$200 for a wholesaler's permit;

15           (5) [~~(4)~~] \$15 for each permit for a vehicle if the  
16 applicant is also applying for a permit as a bonded agent,  
17 distributor, or wholesaler or has received a current permit from  
18 the comptroller under Sections 155.041 and 155.048; and

19           (6) [~~(5)~~] \$180 for a retailer's permit.

20           SECTION 7. Section 155.058(a), Tax Code, is amended to read  
21 as follows:

22           (a) Except as provided by Subsection (b), revenue from the  
23 sale of permits to manufacturers, distributors, wholesalers, and  
24 bonded agents is allocated in the same manner that other revenue is  
25 allocated by Subchapter H.

26           SECTION 8. Section 155.207, Tax Code, is amended to read as  
27 follows:

1           Sec. 155.207. PERMITS. A person commits an offense if the  
2 person:

3                   (1) as a manufacturer, distributor, bonded agent,  
4 importer, wholesaler, or retailer, receives or possesses tobacco  
5 products without having a valid permit;

6                   (2) as a manufacturer, distributor, bonded agent,  
7 importer, wholesaler, or retailer, receives or possesses tobacco  
8 products without having a permit posted where it can be easily seen  
9 by the public;

10                  (3) as a distributor or wholesaler, does not deliver  
11 an invoice to the purchaser as required by Section 155.102;

12                  (4) as a manufacturer, distributor, bonded agent,  
13 importer, wholesaler, or retailer, sells tobacco products without  
14 having a valid permit; or

15                  (5) as a manufacturer, bonded agent, or importer,  
16 stores, distributes, or delivers tobacco products on which the tax  
17 has not been paid without having a valid permit.

18           SECTION 9. The change in law made by this Act to Section  
19 154.001(11), Tax Code, does not affect tax liability accruing  
20 before the effective date of this Act. That liability continues in  
21 effect as if this Act had not been enacted, and the former law is  
22 continued in effect for the collection of taxes due and for civil  
23 and criminal enforcement of the liability for those taxes.

24           SECTION 10. This Act takes effect September 1, 2007.