

By: Carona

S.B. No. 1336

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) The computation of the tax on snuff under Subsection (c) and the applicability of Subsection (d) shall be 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

1 sum of the taxes imposed by Subsections (c) and (d) on each
2 individual can or package intended for sale or distribution at
3 retail.

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

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

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

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

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

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

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

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

- 1 (7) the manufacturer's list price for the tobacco
2 products; ~~and~~
3 (8) the net weight as listed by the manufacturer for
4 each unit; and
5 (9) any other information required by rules of the
6 comptroller.

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

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

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

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

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

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

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

1 each unit.

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

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

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

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

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

25 SECTION 9. This Act takes effect September 1, 2009.