

Amend **CSSB 248** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 155, Tax Code, is amended by adding Subchapter B-1 to read as follows:

SUBCHAPTER B-1. TAX ON ALTERNATIVE NICOTINE PRODUCTS

Sec. 155.031. DEFINITION. In this subchapter:

(1) "Alternative nicotine product" means a noncombustible product containing nicotine, but not containing tobacco leaf, that is intended for human consumption, whether chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means. The term does not include an e-cigarette as defined by Section 161.081, Health and Safety Code, a vapor product, or a product regulated as a drug or device by the United States Food and Drug Administration.

(2) "Alternative nicotine product retailer" means a person who engages in the business of selling alternative nicotine products.

Sec. 155.032. APPLICATION OF OTHER PROVISIONS OF CHAPTER. Except as otherwise provided by this subchapter:

(1) the provisions of this chapter applicable to the regulation of the distribution or sale of tobacco products apply to the distribution and sale of an alternative nicotine product, including the requirement to obtain a permit in the manner provided by Subchapter C;

(2) an alternative nicotine product retailer is subject to disciplinary action under Subchapter H, Chapter 161, Health and Safety Code, to the same extent a cigarette, e-cigarette, or tobacco product retailer is subject to disciplinary action under that subchapter; and

(3) the tax imposed under this subchapter on an alternative nicotine product is administered, imposed, collected, and enforced in the same manner as the taxes imposed on tobacco products under this chapter are administered, imposed, collected, and enforced.

Sec. 155.033. TAX IMPOSED ON ALTERNATIVE NICOTINE PRODUCTS.

(a) A tax is imposed and becomes payable when a permit holder

receives alternative nicotine products for the purpose of making a first sale in this state.

(b) The tax rate for each container or package of an alternative nicotine product is \$1.22 per ounce and a proportionate rate on all fractional parts of an ounce.

(c) The computation of the tax under this section is based on the net weight as listed by the manufacturer. The total tax imposed on a unit of alternative nicotine products that contains two or more individual containers or packages is the sum of the taxes imposed by this section on each individual container or package intended for sale or distribution at retail.