



General Assembly

January Session, 2009

Raised Bill No. 930

LCO No. 3675

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING THE CIGARETTE TAX, THE TOBACCO PRODUCTS TAX AND THE ALCOHOLIC BEVERAGES TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-296 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective April 1, 2009, and*
3 *applicable to sales occurring on or after said date*):

4 A tax is imposed on all cigarettes held in this state by any person for
5 sale, said tax to be at the rate of one hundred twenty-five mills for each
6 cigarette and the payment thereof shall be for the account of the
7 purchaser or consumer of such cigarettes and shall be evidenced by the
8 affixing of stamps to the packages containing the cigarettes as
9 provided in this chapter.

10 Sec. 2. Section 12-316 of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective April 1, 2009, and*
12 *applicable to sales occurring on or after said date*):

13 A tax is hereby imposed at the rate of one hundred twenty-five mills
14 for each cigarette upon the storage or use within this state of any

15 unstamped cigarettes in the possession of any person other than a
16 licensed distributor or dealer, or a carrier for transit from without this
17 state to a licensed distributor or dealer within this state. Any person,
18 including distributors, dealers, carriers, warehousemen and
19 consumers, last having possession of unstamped cigarettes in this state
20 shall be liable for the tax on such cigarettes if such cigarettes are
21 unaccounted for in transit, storage or otherwise, and in such event a
22 presumption shall exist for the purpose of taxation that such cigarettes
23 were used and consumed in Connecticut.

24 Sec. 3. (*Effective April 1, 2009*) (a) An excise tax is hereby imposed
25 upon each distributor and each dealer, as each are defined in section
26 12-285 of the general statutes and licensed pursuant to chapter 214 of
27 the general statutes, in the amount of twenty-five mills per cigarette, as
28 defined in said section 12-285, in such distributor's or such dealer's
29 inventory as of the close of business on April 1, 2009, or, if the business
30 closes after eleven fifty-nine p.m. on such date, at eleven fifty-nine p.m.
31 on such date.

32 (b) Each such licensed distributor or dealer shall, not later than June
33 15, 2009, file with the Commissioner of Revenue Services, on forms
34 prescribed by said commissioner, a report that shows the number of
35 cigarettes in inventory as of the close of business on April 1, 2009, or, if
36 the business closes after eleven fifty-nine p.m. on such date, at eleven
37 fifty-nine p.m. on such date, upon which inventory the tax under
38 subsection (a) of this section shall be imposed. The tax shall be due and
39 payable on the due date of such report. If any distributor or dealer
40 required to file a report pursuant to this section fails to file such report
41 on or before June 15, 2009, the commissioner shall make an estimate of
42 the number of cigarettes in such distributor's or dealer's inventory as
43 of the close of business on April 1, 2009, based upon any information
44 that is in the commissioner's possession or that may come into the
45 commissioner's possession. The provisions of chapter 214 of the
46 general statutes pertaining to failure to file returns, examination of
47 returns by the commissioner, the issuance of deficiency assessments or

48 assessments where no return has been filed, the collection of tax, the
49 imposition of penalties and the accrual of interest shall apply to the
50 distributors and dealers required to pay the tax imposed under this
51 section. Failure of any distributor or dealer to file such report when
52 due shall be sufficient reason to revoke such distributor's or dealer's
53 license under the provisions of said chapter 214 and to revoke any
54 other state license or permit held by such distributor or dealer.

55 Sec. 4. Section 12-330c of the general statutes is repealed and the
56 following is substituted in lieu thereof (*Effective April 1, 2009, and*
57 *applicable to sales occurring on or after said date*):

58 (a) (1) A tax is imposed on all untaxed tobacco products held in this
59 state by any person. Except as otherwise provided in subdivision (2) of
60 this subsection with respect to the rate of tax on snuff tobacco
61 products, the tax shall be imposed at the rate of [twenty] twenty-five
62 per cent of the wholesale sales price of such products.

63 (2) The tax shall be imposed on snuff tobacco products, on the net
64 weight as listed by the manufacturer, as follows: [Forty] Fifty cents per
65 ounce of snuff and a proportionate tax at the like rate on all fractional
66 parts of an ounce of snuff.

67 (b) Said tax shall be imposed on the distributor or the unclassified
68 importer at the time the tobacco product is manufactured, purchased,
69 imported, received or acquired in this state.

70 (c) Said tax shall not be imposed on any tobacco products which (1)
71 are exported from the state, or (2) are not subject to taxation by this
72 state pursuant to any laws of the United States.

73 Sec. 5. (*Effective April 1, 2009*) (a) An excise tax is hereby imposed
74 upon each distributor and each unclassified importer, as each are
75 defined in section 12-330a of the general statutes and licensed pursuant
76 to chapter 214a of the general statutes, in the amount of five per cent of
77 the wholesale price of untaxed tobacco products, and ten cents per

78 ounce of snuff and a proportionate tax at the like rate on all fractional
79 parts of an ounce of snuff, in such distributor's or such unclassified
80 importer's inventory as of the close of business on April 1, 2009, or, if
81 the business closes after eleven fifty-nine p.m. on such date, at eleven
82 fifty-nine p.m. on such date.

83 (b) Each such licensed distributor or unclassified importer shall, not
84 later than June 15, 2009, file with the Commissioner of Revenue
85 Services, on forms prescribed by said commissioner, a report that
86 shows the number of cigarettes in inventory as of the close of business
87 on April 1, 2009, or, if the business closes after eleven fifty-nine p.m. on
88 such date, at eleven fifty-nine p.m. on such date, upon which inventory
89 the tax under subsection (a) of this section shall be imposed. The tax
90 shall be due and payable on the due date of such report. If any
91 distributor or dealer required to file a report pursuant to this section
92 fails to file such report on or before June 15, 2009, the commissioner
93 shall make an estimate of the number of cigarettes in such distributor's
94 or dealer's inventory as of the close of business on April 1, 2009, based
95 upon any information that is in the commissioner's possession or that
96 may come into the commissioner's possession. The provisions of
97 chapter 214a of the general statutes pertaining to failure to file returns,
98 examination of returns by the commissioner, the issuance of deficiency
99 assessments or assessments where no return has been filed, the
100 collection of tax, the imposition of penalties and the accrual of interest
101 shall apply to the distributors and unclassified importers required to
102 pay the tax imposed under this section. Failure of any distributor or
103 unclassified importer to file such report when due shall be sufficient
104 reason to revoke such distributor's or unclassified importer's license
105 under the provisions of said chapter 214a and to revoke any other state
106 license or permit held by such distributor or unclassified importer.

107 Sec. 6. Section 12-435 of the general statutes is repealed and the
108 following is substituted in lieu thereof (*Effective April 1, 2009, and*
109 *applicable to sales occurring on or after said date*):

110 Each distributor of alcoholic beverages shall pay a tax to the state on
111 all sales within the state of alcoholic beverages, except sales to licensed
112 distributors, sales of alcoholic beverages which, in the course of such
113 sales, are actually transported to some point without the state and
114 except malt beverages which are consumed on the premises covered
115 by a manufacturer's permit, at the rates for the respective categories of
116 alcoholic beverages listed below:

117 [(a)] (1) Beer, [six dollars] seven dollars and fifty cents for each
118 barrel, three dollars and seventy-five cents for each half barrel, one
119 dollar and [fifty] ninety cents for each quarter barrel and [twenty]
120 twenty-five cents per wine gallon or fraction thereof on quantities less
121 than a quarter barrel;

122 (b) Liquor, [four dollars and fifty] five dollars and sixty-five cents
123 per wine gallon;

124 (c) Still wines containing not more than twenty-one per cent of
125 absolute alcohol, except as provided in subsections (g) and (h) of this
126 section, [sixty] seventy-five cents per wine gallon;

127 (d) Still wines containing more than twenty-one per cent of absolute
128 alcohol and sparkling wines, one dollar and [fifty] ninety cents per
129 wine gallon;

130 (e) Alcohol in excess of 100 proof, [four dollars and fifty] five dollars
131 and sixty-five cents per proof gallon;

132 (f) Liquor coolers containing not more than seven per cent of alcohol
133 by volume, two dollars and [five] fifty-five cents per wine gallon;

134 (g) Still wine containing not more than twenty-one per cent of
135 absolute alcohol, produced by a person who produces not more than
136 fifty-five thousand wine gallons of wine during the calendar year,
137 [fifteen] twenty cents per wine gallon, provided such person presents
138 to each distributor of alcoholic beverages described in this section a
139 certificate, issued by the commissioner, stating that such person

140 produces not more than fifty-five thousand wine gallons of wine
141 during the calendar year. The commissioner is authorized to issue such
142 certificates, prescribe the procedures for obtaining such certificates and
143 prescribe their form; and

144 (h) Cider containing not more than seven per cent of absolute
145 alcohol shall be subject to the same rate as applies to beer, as provided
146 in subsection (a) of this section.

147 Sec. 7. (NEW) (*Effective April 1, 2009*) (a) (1) An excise tax is hereby
148 imposed upon each distributor, as defined in section 12-433 of the
149 general statutes and licensed pursuant to chapter 220 of the general
150 statutes, for the respective categories of alcoholic beverages as
151 provided in subdivision (2) of this subsection, in such distributor's
152 inventory as of the close of business on April 1, 2009, or, if the business
153 closes after eleven fifty-nine p.m. on such date, at eleven fifty-nine p.m.
154 on such date.

155 (2) The excise tax imposed by this section shall be in the following
156 amounts: (A) Beer, one dollar and fifty cents for each barrel, seventy-
157 five cents for each half barrel, forty cents for each quarter barrel and
158 five cents per wine gallon or fraction thereof on quantities less than a
159 quarter barrel; (B) liquor, one dollar and sixty-five cents per wine
160 gallon; (C) still wines containing not more than twenty-one per cent of
161 absolute alcohol, except as provided in subparagraphs (F) and (G) of
162 this subdivision, fifteen cents per wine gallon; (D) still wines
163 containing more than twenty-one per cent of absolute alcohol and
164 sparkling wines, forty cents per wine gallon; (E) alcohol in excess of
165 100 proof, one dollar and fifteen cents per proof gallon; (F) liquor
166 coolers containing not more than seven per cent of alcohol by volume,
167 fifty cents per wine gallon; and (G) still wine containing not more than
168 twenty-one per cent of absolute alcohol, produced by a person who
169 produces not more than fifty-five thousand wine gallons of wine
170 during the calendar year, five cents per wine gallon.

171 (b) Each such distributor shall, not later than June 15, 2009, file with

172 the Commissioner of Revenue Services, on forms prescribed by said
173 commissioner, an inventory as of the close of business on April 1, 2009,
174 or, if the business closes after eleven fifty-nine p.m. on such date, at
175 eleven fifty-nine p.m. on such date, upon which inventory the tax
176 under subsection (a) of this section shall be imposed. Such inventory
177 shall show the whole number and any fractional part of (1) barrels, half
178 barrels, quarter barrels and wine gallons of quantities less than quarter
179 barrels, of beer; (2) wine gallons of liquor; (3) wine gallons of still
180 wines containing not more than twenty-one per cent of absolute
181 alcohol; (4) wine gallons of still wines containing more than twenty-
182 one per cent of absolute alcohol and sparkling wines; (5) proof gallons
183 of alcohol in excess of 100 proof; (6) liquor coolers containing not more
184 than seven per cent alcohol by volume; and (7) still wine containing
185 not more than twenty-one per cent of absolute alcohol, produced by a
186 person who produces not more than fifty-five thousand wine gallons
187 of wine during the calendar year. The tax shall be due and payable on
188 the due date of such report. If any distributor required to file a report
189 pursuant to this section fails to file such report on or before June 15,
190 2009, the commissioner shall make an estimate of the amount of
191 alcoholic beverages in such distributor's inventory as of the close of
192 business on April 1, 2009, based upon any information that is in the
193 commissioner's possession or that may come into the commissioner's
194 possession. The provisions of chapter 220 of the general statutes
195 pertaining to failure to file returns, examination of returns by the
196 commissioner, the issuance of deficiency assessments or assessments
197 where no return has been filed, the collection of tax, the imposition of
198 penalties and the accrual of interest shall apply to the distributors
199 required to pay the tax imposed under this section. Failure of any
200 distributor to file such report when due shall be sufficient reason to
201 revoke such distributor's license under the provisions of said chapter
202 220 and to revoke any other state license or permit held by such
203 distributor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>April 1, 2009, and applicable to sales occurring on or after said date</i>	12-296
Sec. 2	<i>April 1, 2009, and applicable to sales occurring on or after said date</i>	12-316
Sec. 3	<i>April 1, 2009</i>	New section
Sec. 4	<i>April 1, 2009, and applicable to sales occurring on or after said date</i>	12-330c
Sec. 5	<i>April 1, 2009</i>	New section
Sec. 6	<i>April 1, 2009, and applicable to sales occurring on or after said date</i>	12-435
Sec. 7	<i>April 1, 2009</i>	New section

Statement of Purpose:

To increase the taxes on cigarettes, tobacco products and alcoholic beverages.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]