



General Assembly

February Session, 2020

Raised Bill No. 5464

LCO No. 2355



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING THE TAX TREATMENT OF TOBACCO PRODUCTS THAT ARE EXPORTED FROM THE STATE.

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

1 Section 1. Section 12-330c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2020*):

3 (a) [(1)] A tax is imposed on all untaxed tobacco products held in this
4 state by any person [. Except as otherwise provided in subdivisions (2)
5 and (3) of this subsection, the tax shall be imposed] at the rate of fifty
6 per cent of the wholesale sales price of such products, [.] except that:

7 [(2) Notwithstanding the provisions of subdivision (1) of this
8 subsection, in] (1) In the case of cigars, the tax shall not exceed fifty cents
9 per cigar; [.] and

10 [(3)] (2) The tax shall be imposed on snuff tobacco products, on the
11 net weight as listed by the manufacturer, as follows: Three dollars per
12 ounce of snuff and a proportionate tax at the like rate on all fractional
13 parts of an ounce of snuff.

14 (b) (1) Except as provided in subdivision (2) of this subsection, such
15 tax shall be imposed on the distributor or the unclassified importer at
16 the time the tobacco product is manufactured, purchased, imported,
17 received or acquired in this state.

18 (2) [Cigars] Tobacco products owned by a distributor, that are located
19 on the premises of a person who performs fulfillment services in this
20 state for such distributor or are located on the premises of a warehouse
21 in this state that is owned or leased by the distributor, and (A) are
22 exported from this state shall not be subject to the tax imposed by this
23 chapter, or (B) are shipped, delivered or otherwise transferred to a
24 Connecticut address shall be subject to the tax imposed by this chapter
25 and such tax shall be imposed on the date of such shipment, delivery or
26 transfer and paid with, and reported by such distributor on, the return
27 prescribed under section 12-330d that corresponds to the month such
28 shipment, delivery or transfer occurred. For purposes of this
29 subdivision, "fulfillment services" means services that are performed by
30 a person on the premises of such person on behalf of a distributor and
31 that involve the receipt of orders from such distributor or an agent
32 thereof, which orders are to be filled by the person from an inventory of
33 [cigars] tobacco products that are offered for sale by such distributor,
34 and the shipment of such orders to customers of such distributor.

35 (3) The commissioner may require the person who performs
36 fulfillment services to file a quarterly informational return with the
37 commissioner with respect to [cigars] tobacco products located on the
38 premises of such person, containing such information as the
39 commissioner may prescribe.

40 (c) Such tax shall not be imposed on any tobacco products that (1) are
41 exported from this state, or (2) are not subject to taxation by this state
42 pursuant to any laws of the United States.

43 (d) Any tax imposed under this chapter shall be reduced by fifty per
44 cent for any product the Secretary of the United States Department of
45 Health and Human Services determines to be a modified risk tobacco

46 product pursuant to 21 USC 387k, as amended from time to time.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2020</i>	12-330c
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Statement of Purpose:

To specify that tobacco products owned by a distributor, that are located on the premises of a warehouse in the state and exported from the state, are not subject to the tobacco products tax at the time the tobacco products are manufactured, purchased, imported, received or acquired in the state.

[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.]