



General Assembly

January Session, 2019

**Committee Bill No. 6655**

LCO No. 7155



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 Section 12-330c of the general statutes is repealed and the  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 July 1, 2019*):

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

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

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

14 parts of an ounce of snuff.

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

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

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

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

45 (d) Any tax imposed under this chapter shall be reduced by fifty per  
46 cent for any product the Secretary of the United States Department of  
47 Health and Human Services determines to be a modified risk tobacco  
48 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:		
Section 1	<i>July 1, 2019</i>	12-330c

**FIN**      *Joint Favorable*