

HOUSE BILL No. 1565

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-7-1.

Synopsis: Cigarette taxes. Increases the cigarette tax by \$2 to \$2.995 per pack of regular size cigarettes and a corresponding increase for larger cigarettes. Appropriates for each year of the 2019-2021 biennium \$35,000,000 from the tobacco master settlement agreement fund to the tobacco use prevention and cessation trust fund for the state department of health to implement the long range state plan for the prevention and reduction of the usage of tobacco and tobacco products in Indiana.

Effective: July 1, 2019.

Kirchhofer

January 17, 2019, read first time and referred to Committee on Public Health.



First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1565

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011,
2 SECTION 161, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2019]: Sec. 0.4. **(a)** Notwithstanding section 14
4 of this chapter, revenue stamps paid for before July 1, 2007, and in the
5 possession of a distributor may be used after June 30, 2007, only if the
6 full amount of the tax imposed by section 12 of this chapter, as
7 effective after June 30, 2007, and as amended by P.L.218-2007, is
8 remitted to the department under the procedures prescribed by the
9 department.

10 **(b) Notwithstanding section 14 of this chapter, revenue stamps**
11 **paid for before July 1, 2019, and in the possession of a distributor,**
12 **may be used after June 30, 2019, only if the full amount of the tax**
13 **imposed by section 12 of this chapter, as amended and effective**
14 **after June 30, 2019, is remitted to the department under the**
15 **procedures prescribed by the department.**

16 SECTION 2. IC 6-7-1-12, AS AMENDED BY P.L.191-2016,
17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2019]: Sec. 12. The following taxes are imposed, and shall be collected and paid as provided in this chapter, upon the sale, exchange, bartering, furnishing, giving away, or otherwise disposing of cigarettes within the state of Indiana:

(1) On cigarettes weighing not more than three (3) pounds per thousand (1,000), a tax at the rate of ~~four and nine hundred seventy-five thousandths cents (\$0.04975)~~ **fourteen and nine hundred seventy-five thousandths cents (\$0.14975)** per individual cigarette.

(2) On cigarettes weighing more than three (3) pounds per thousand (1,000), a tax at the rate of ~~six and six hundred twelve thousandths cents (\$0.06612)~~ **nineteen and nine-tenths cents (\$0.199)** per individual cigarette, except that if any cigarettes weighing more than three (3) pounds per thousand (1,000) shall be more than six and one-half (6 1/2) inches in length, they shall be taxable at the rate provided in subdivision (1), counting each two and three-fourths (2 3/4) inches (or fraction thereof) as a separate cigarette.

SECTION 3. [EFFECTIVE JULY 1, 2019] (a) **There is appropriated from the tobacco master settlement agreement fund (IC 4-12-1-14.3) to the tobacco use prevention and cessation trust fund (IC 4-12-4-10) thirty-five million dollars (\$35,000,000) for each state fiscal year of the biennium beginning July 1, 2019, and ending June 30, 2021. The appropriation is for the state department of health to implement the long range state plan established under IC 4-12-4 and to make grants under IC 4-12-4.**

(b) **It is recommended that the revenue generated from this act be dedicated to health related matters.**

(c) **This SECTION expires June 30, 2021.**

