

HOUSE RESEARCH

Bill Summary

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Overview

This bill adjusts the definition of cigarette in multiple chapters of law to include “little cigars.” It also creates a tobacco tax collection report to be delivered to the legislature in 2014, identifying issues with tax collection. It appropriates money to furnish this report.

Section

- 1** **Name.** This act may be cited as the “Tobacco Tax Uniformity Act of 2013.”
- 2** **Cigarette definition.** The definition has been updated to include “little cigars” in the definition of cigarette for tax purposes. This would remove “little cigars” from the other tobacco products tax, and it would impose the cigarette tax on these items. This definition is significantly similar to the federal definition of “cigarette.”
- 3** **Unfair Cigarette Sales Act.** The definition for purposes of Minnesota Statutes chapter, 325D is updated to include “little cigars” as cigarettes. This language mirrors the definition in section 1.
- 4** **Tobacco tax collection report.** This section requires the commissioner of revenue to report to the 2014 legislature on the tobacco tax collection system, including recommendations to improve compliance of all tobacco tax programs. This report will be due by January 1, 2014. There is also appropriated \$100,000 from the general fund to the commissioner of revenue to prepare the report required.
- 5** **Effective date.** Sections 1 through 3 are effective for sales and purchases made after June 30, 2013. Section 4 is effective on the day following final enactment.