



SPONSOR: Sen. Brown & Rep. K. Williams
Sens. Poore, Sturgeon, Townsend, Walsh; Reps.
Briggs King, Gray, Ramone

DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE BILL NO. 84

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO TAXATION OF PREMIUM CIGARS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 5301, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and redesignating accordingly:

§ 5301. Definitions.

As used in this chapter:

(11) “Premium cigar” means a cigar that meets all of the following:

a. Contains only tobacco, water, and vegetable gum and no other ingredients or additives.

b. Wrapped in whole tobacco leaf.

c. Contains a 100% leaf tobacco binder.

d. Weights more than 6 pounds per 1,000 units.

e. Fifty percent or more of the filler, by weight, contains long filler tobacco, which are whole tobacco leaves that run the length of the cigar.

f. Contains no filter, nontobacco tip, or nontobacco mouthpiece.

g. Contains no characterizing flavor other than tobacco.

h. Is handmade or hand rolled, which means that no machinery was used apart from simple tools, such as scissors to cut the tobacco before rolling.

(15)(16) “Tobacco products” means all products made primarily from tobacco for individual consumption, including cigarettes, cigars, premium cigars, pipe tobacco, and vapor products.

Section 2. Amend § 5305, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 5305. Levy of tax, limitation; exemption.

21 (b) A tax is imposed and assessed upon the sale or use of all tobacco products, except those tobacco products taxed
22 under ~~subsection~~ subsections (a) or (c) of this section, within this State at the rate of 30% of the wholesale price on such
23 products.

24 (c)(1) A tax is imposed and assessed upon the sale or use of moist snuff within this State at the rate of 92 cents per
25 ounce and a proportionate tax at the like rate on any fractional parts of an ounce. The per ounce tax imposed under
26 this ~~subsection~~ paragraph must be computed based on the net weight as listed by the manufacturer.

27 (2) An excise tax is imposed and assessed upon the sale or use of vapor products within this State at the rate of 5
28 cents per fluid milliliter of vapor product. The tax imposed by this paragraph (c)(2) of this section must be computed based
29 on the amount of vapor product in milliliters as listed by the manufacturer. All invoices for vapor products issued by a
30 manufacturer must state the amount of vapor product in milliliters.

31 (3) A tax is imposed and assessed upon the sale or use of premium cigars within this State at a rate of 20% of the
32 wholesale price of the premium cigar.

33 Section 3. This Act takes effect on October 1 following its enactment into law.

SYNOPSIS

Under this Act, a premium cigar means any roll for smoking that is all of the following:

1. Made entirely of tobacco, including the wrapper, binder, and filler.
2. Hand rolled.
3. Contains no filter, tip, or any mouthpiece consisting of material other than tobacco, or any additional flavoring.

This Act lowers the tax rate for premium cigars from 30% to 20% of the wholesale price so that Delaware's tax rate is consistent with the tax rates for premium cigars in surrounding states. The tax rate in Maryland is 15% and there is no tax on premium cigars in Pennsylvania.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Brown