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DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 131

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:

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

3 § 5301. Definitions.

4 As used in this chapter:

5 (11) "Premium cigar" means any roll for smoking that is made entirely of tobacco and has all of the following
6 characteristics:

7 a. The cigar, including the filler, wrapper, and binder, is made of 100% leaf tobacco.

8 b. The cigar is hand rolled.

9 c. The cigar contains no filter or tip, or any mouthpiece consisting of a material other than tobacco, or any
10 additional flavoring.

11 ~~(15)~~ (16) "Tobacco products" means all products made primarily from tobacco for individual consumption,
12 including cigarettes, cigars, premium cigars, pipe tobacco, and vapor products.

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

15 § 5305. Levy of tax, limitation; exemption.

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

19 (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
20 ounce and a proportionate tax at the like rate on any fractional parts of an ounce. The per ounce tax imposed under this
21 ~~subsection~~ paragraph must be computed based on the net weight as listed by the manufacturer.

22 (2) An excise tax is imposed and assessed upon the sale or use of vapor products within this State at the rate of
23 5 cents per fluid milliliter of vapor product. The tax imposed by this paragraph (c)(2) of this section must be computed
24 based on the amount of vapor product in milliliters as listed by the manufacturer. All invoices for vapor products issued
25 by a manufacturer must state the amount of vapor product in milliliters.

26 (3) A tax is imposed and assessed upon the sale or use of premium cigars within this State at a rate of 15% of
27 the wholesale price of the premium cigar.

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

SYNOPSIS

This Act lowers the tax rate for premium cigars from 30% to 15% 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. 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 takes effect on October 1 following its enactment into law.

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

Author: Senator Sturgeon