SPONSOR: Rep. Gilligan & Rep. Van Sant & Rep. Spence & Rep. Smith & Rep. Lee & Rep. Hudson & Sen. Adams, Sen. McDowell & Sen. DeLuca & Sen. Cook & Sen. Vaughn & Sen. Still & Sen. Sorenson

HOUSE OF REPRESENTATIVES

142nd GENERAL ASSEMBLY

HOUSE BILL NO. 270
AS AMENDED BY HOUSE AMENDMENT NO. 1 AS AMENDED BY HOUSE AMENDMENT NO. 1 TO HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 30, CHAPTER 53 OF THE DELAWARE CODE RELATING TO THE LEVY AND COLLECTION OF TAX ON TOBACCO PRODUCTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

Section 1. Amend § 5305(a), Title 30 of the Delaware Code, by striking the figure "12" as it appears in said subsection and substituting in lieu thereof the figure "27.5".

Section 2. Amend § 5305(a), Title 30 of the Delaware Code, by striking the phrase "tax per pack involving a fraction of a cent, the tax applicable to that pack" and substituting in lieu thereof the phrase "tax per pack or other unit of sale to which this tax applies involving a fraction of a cent, the tax applicable to that pack or other unit".

Section 3. This Act shall be effective to establish the rate of tax to pay or to have been paid on cigarettes in possession of any person liable for payment of the tax on or after midnight July 31, 2003. The tax imposed by Sections 1 and 2 of this Act is also imposed on cigarettes in possession of any person liable for the tax on or after midnight July 31, 2003, which as of that date have been affixed with any tobacco product tax stamp or other indicia of payment of the tax in effect prior to the effective date of this Act. Such tax shall be at the rate specified in Sections 1 and 2 of this Act less the tax previously paid with respect to such cigarettes. The additional tax imposed by Sections 1 and 2 of this Act must also be paid relative to tobacco stamps purchased, and not affixed, before midnight July 31, 2003.

Section 4. If the Joint Resolution enacted pursuant to the State Constitution, Article 8, Section 6(b) for the next fiscal year establishes estimated net State General Fund revenue in excess of 107% of that established by the most recent

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Joint Resolution for the directly preceding fiscal year the provisions contained in Sections 1, 2 and 3 of this Act shall be repealed, and the taxation of tobacco products shall revert back to that in effect on June 30, 2003.

The effective date for said repeal shall be twelve (12) months from the date of Enactment of the Joint Resolution upon which the differential is based.

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