SPONSOR: Rep. Schwartzkopf & Rep. Gilligan & Sen. DeLuca & Sen. Cook & Sen. Simpson & Sen. Sorenson

HOUSE OF REPRESENTATIVES
145th GENERAL ASSEMBLY

HOUSE BILL NO. 211

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

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 "57.5" as it appears in said subsection and substituting in lieu thereof the figure "80.0".

Section 2. 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, 2009. The tax imposed by Section 1 of this Act is also imposed on cigarettes in possession of any person liable for the tax on or after midnight July 31, 2009, 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 Section 1 of this Act less the tax previously paid with respect to such cigarettes. The additional tax imposed by Section 1 of this Act must also be paid relative to tobacco stamps purchased, and not affixed, before midnight July 31, 2009.

SYNOPSIS

This Act increases the tax on cigarettes from $1.15 to $1.60 per 20-cigarette pack. Section 1 increases the cigarette tax rate. Section 2 makes the cigarette tax effective for possession within the state after midnight July 31, 2009. It also imposes a "floor tax" on inventories of cigarettes and requires that the difference between the new tax and the old tax be paid on stamps purchased on or before midnight July 31, 2009, but not affixed to any cigarettes as of the effective date of this Act.

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Released: 06/09/2009 02:03 PM