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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **1937**

March 12, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; cigarette and tobacco products taxes; providing a distributor  
1.3 discount; amending Minnesota Statutes 2006, sections 297F.08, subdivision 7;  
1.4 297F.09, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 297F.08, subdivision 7, is amended to read:

1.7 Subd. 7. **Price of stamps.** The commissioner shall sell stamps to any person  
1.8 licensed as a distributor at a discount of 1.7 percent from the face amount of the stamps  
1.9 purchased in any fiscal year. The commissioner shall not sell stamps to any other person.  
1.10 The commissioner may prescribe the method of shipment of the stamps to the distributor  
1.11 as well as the quantities of stamps purchased. The commissioner shall not charge any  
1.12 person licensed as a distributor the cost to print the stamps or the cost to ship the stamps to  
1.13 the licensed distributor.

1.14 **EFFECTIVE DATE.** This section is effective for sales of stamps made after June  
1.15 30, 2007.

1.16 Sec. 2. Minnesota Statutes 2006, section 297F.09, subdivision 2, is amended to read:

1.17 Subd. 2. **Monthly return; tobacco products distributor.** On or before the 18th  
1.18 day of each calendar month, a distributor with a place of business in this state shall file  
1.19 a return with the commissioner showing the quantity and wholesale sales price of each  
1.20 tobacco product:

1.21 (1) brought, or caused to be brought, into this state for sale; and

1.22 (2) made, manufactured, or fabricated in this state for sale in this state, during the  
1.23 preceding calendar month.

2.1 Every licensed distributor outside this state shall in like manner file a return showing the  
2.2 quantity and wholesale sales price of each tobacco product shipped or transported to  
2.3 retailers in this state to be sold by those retailers, during the preceding calendar month.  
2.4 Returns must be made in the form and manner prescribed by the commissioner and  
2.5 must contain any other information required by the commissioner. The return must be  
2.6 accompanied by a remittance for the full tax liability shown, less 1.7 percent of the liability  
2.7 as compensation to reimburse the distributor for expenses incurred in the administration  
2.8 of this chapter. For distributors subject to the accelerated tax payment requirements in  
2.9 subdivision 10, the return for the May liability is due two business days before June 30th  
2.10 of the year and the return for the June liability is due on or before August 18th of the year.

2.11 **EFFECTIVE DATE.** This section is effective for returns due after June 30, 2007.