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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 3319

March 4, 2010
Authored by Zellers and Mahoney
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; limiting the tax on cigars; amending Minnesota Statutes 2008, section 297F.05, subdivision 3.

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

Section 1. Minnesota Statutes 2008, section 297F.05, subdivision 3, is amended to read:

Subd. 3. **Rates; tobacco products.** (a) Subject to paragraph (b), a tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor, at the rate of 35 percent of the wholesale sales price of the tobacco products. The tax is imposed at the time the distributor:

(1) brings, or causes to be brought, into this state from outside the state tobacco products for sale;

(2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or

(3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

(b) The taxes imposed under this subdivision and subdivision 4 may not exceed 25 cents per cigar.

EFFECTIVE DATE. This section is effective July 1, 2009.