

SENATE NO. 662

AN ACT IMPROVING PUBLIC HEALTH AND FUNDING HEALTH REFORM

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. The second sentence of section 2000 of chapter 29 of the General Laws, as
2 most recently amended by section 7 of chapter 324 of the acts of 2006, is hereby further
3 amended by inserting after clause (d) the following clause:- , and (e) revenue from the tobacco
4 excise taxes imposed by section 7D of chapter 64C.

5 SECTION 2. Chapter 64C of the General Laws is hereby amended by inserting after
6 section 7C the following section:-

7 Section 7D. (a) In addition to the excise imposed by section 6, every licensee who is
8 required to file a return under section 16 of chapter 62C shall, at the time of filing such a return,
9 pay to the commissioner an excise equal to 50 mills for each cigarette so sold during the
10 calendar month covered by the return; provided, however, that cigarettes with respect to which
11 the excise under this section has once been imposed and has not been refunded, if paid, shall not
12 be subject upon a subsequent sale to the excise imposed by this section. In addition to the excise
13 imposed by section 6, each unclassified acquirer shall, at the time of filing a return required by
14 said section 16 of chapter 62C, pay to the commissioner an excise equal to 50 mills for each

15 cigarette so imported or acquired and held for sale or consumption, and cigarettes with respect
16 to which such excise has been imposed and has not been refunded, if paid, shall not be subject,
17 when subsequently sold, to any further excise under this section.

18 Notwithstanding the provisions of this section, the excise imposed by this section shall
19 equal 10 percent of the price paid by such licensee or unclassified acquirer to purchase
20 smokeless tobacco so sold, imported, or acquired.

21 Notwithstanding the provisions of this section, the excise imposed by this section shall
22 equal 15 per cent of the price paid by such licensee or unclassified acquirer to purchase cigars
23 and smoking tobacco so sold, imported or acquired.

24 (b) Except as the provisions of this section expressly provide to the contrary, all of the
25 provisions of this chapter and of chapter 62C relative to the assessment, collection, payment,
26 abatement, verification, and administration of taxes, including penalties, shall, so far as
27 pertinent, be applicable to the excise imposed by this section.

28 (c) Notwithstanding the provisions of section 28, all revenues received pursuant to this
29 section, together with any penalties, forfeitures, interest, costs of suits and fines collected in
30 connection therewith, less all amounts refunded or abated in connection therewith, all as
31 determined by the commissioner of revenue according to his best information and belief, shall
32 be credited to the Commonwealth Care Trust Fund, established by section 2000 of chapter 29.

33 (d) Any cigarette which does not contain nicotine shall be exempt from the excise herein
34 referred.

35 SECTION 3. Section 2 of this act shall take effect on July 1, 2007. Every manufacturer,
36 wholesaler, vending machine operator, unclassified acquirer or retailer, as defined in section 1
37 of chapter 64C of the General Laws, who, at the commencement of business on July 1, 2007,
38 has on hand any cigarettes for sale or any unused adhesive or meter stamps, shall make and file
39 with the commissioner of revenue within 20 days a return, subscribed under the penalties of
40 perjury, showing a complete inventory of such cigarettes and stamps, and shall, at the time he is
41 required to file such return, pay an additional excise of 50 mills per cigarette on all cigarettes
42 and all unused adhesive and meter stamps upon which only the excise imposed pursuant to
43 sections 6, 7A and 7C of said chapter 64C has previously been paid; provided, however, that the
44 additional excise imposed by this section shall equal 10 percent of the price paid by such
45 manufacturer, wholesaler, vending machine operator, unclassified acquirer or retailer to
46 purchase smokeless tobacco and 15 percent of the price paid by such manufacturer, wholesaler,
47 vending machine operator, unclassified acquirer or retailer to purchase cigars and smoking
48 tobacco on hand on said date. All of the provisions of chapters chapter 62C and 64C relative to
49 the assessment, collection, payment, abatement, verification, and administration of taxes,
50 including penalties, shall, so far as pertinent, be applicable to the excise imposed by this section.

51 SECTION 4. Notwithstanding subsection (c) of section 7D of chapter 64C of the
52 General Laws, the comptroller shall annually transfer no less than \$7 million from the tobacco
53 tax revenue derived from said section 7D to the General Fund to fund the MassHealth smoking
54 and tobacco use cessation treatment, information, and education program.