



HOUSE BILL No. 5844

May 1, 1996, Introduced by Rep. Munsell and referred to the Committee on Tax Policy.

A bill to amend section 7 of Act No. 327 of the Public Acts of 1993, entitled
"Tobacco products tax act,"
being section 205.427 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 327 of the Public Acts of
2 1993, being section 205.427 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 7. (1) Beginning May 1, 1994, a tax is levied on the
5 sale of tobacco products sold in this state as follows:

6 (a) For cigars, noncigarette smoking tobacco, and smokeless
7 tobacco, 16% of the wholesale price.

8 ~~(b) For cigarettes, if the sales tax is levied at a rate of~~
9 ~~4% under the general sales tax act, Act No. 167 of the Public~~

~~1 Acts of 1933, being sections 205.51 to 205.78 of the Michigan~~
~~2 Compiled Laws, 20 mills per cigarette.~~

3 (B) ~~(c)~~ For cigarettes, ~~if the sales tax is levied at a~~
4 ~~rate of 6% under the general sales tax act, Act No. 167 of the~~
5 ~~Public Acts of 1933, being sections 205.51 to 205.78 of the~~
6 ~~Michigan Compiled Laws,~~ 37.5 mills per cigarette.

7 (2) On or before the twentieth day of each calendar month,
8 every licensee under section 3 other than a retailer, secondary
9 wholesaler, or vending machine operator shall file a return with
10 the department stating the amount of each tobacco product sold
11 and specifying the wholesale price charged for all tobacco prod-
12 ucts sold by the licensee for each place of business in the pre-
13 ceding calendar month. The return shall be signed under penalty
14 of perjury. The return shall be on a form prescribed by the
15 department and shall contain or be accompanied by any further
16 information the department requires.

17 (3) ~~At the time of the filing of the return, the~~ A
18 licensee REQUIRED TO FILE A RETURN UNDER SUBSECTION (2) shall pay
19 to the department AT THE TIME OF THE THE FILING OF THE RETURN the
20 tax levied in subsection (1) for tobacco products sold during the
21 calendar month covered by the return, less compensation equal to
22 1% of the total amount of the tax due to cover the cost of
23 expenses incurred in the administration of this act.

24 (4) Every licensee and retailer who, on May 1, 1994, has on
25 hand for sale any cigarettes acquired after February 1, 1994 upon
26 which a tax has been paid pursuant to FORMER Act No. 265 of the
27 Public Acts of 1947, ~~being sections 205.501 to 205.522 of the~~

1 ~~Michigan Compiled Laws,~~ shall file a complete inventory of those
2 cigarettes before June 1, 1994 and shall pay to the department at
3 the time of filing this inventory a tax equal to the difference
4 between the tax imposed in subsection (1) and the tax that has
5 been paid pursuant to FORMER Act No. 265 of the Public Acts of
6 1947.

7 (5) The department may require the payment of the tax
8 imposed by this act upon the importation or acquisition of a
9 tobacco product. A tobacco product for which the tax under this
10 act has once been imposed and that has not been refunded if paid
11 is not subject upon a subsequent sale to the tax imposed by this
12 act.

13 (6) An abatement or refund of the tax provided by this act
14 may be made by the department for causes the department considers
15 expedient. The department shall certify the amount and the state
16 treasurer shall pay that amount out of the proceeds of the tax.

17 (7) A person liable for the tax may reimburse itself by
18 adding to the price of the tobacco products an amount equal to
19 the tax levied under this act.