

TOBACCO PRODUCT LICENSES

House Bill 5305

Sponsor: Rep. Lorence Wenke

Committee: Tax Policy

Complete to 1-15-04

A SUMMARY OF HOUSE BILL 5305 AS INTRODUCED 11-13-03

The bill would amend the Tobacco Products Tax Act to increase license fees by 50 percent and set the expiration date for each license at September 30, rather than June 30.

Under the act, a person is prohibited from purchasing, possessing, acquiring for resale, or selling a tobacco product as a manufacturer, wholesaler, or transporter, among others, without a license to do so. The table below lists the current license fee and the proposed fee.

License Type	Current Fee	Proposed Fee
Wholesaler	\$100	\$150
Secondary wholesaler	\$25	\$37.50
Vending machine operator	\$25	\$37.50
<i>Unclassified Acquirer</i>		
State of Michigan	\$0	\$0
Retail importer of tobacco products other than cigarettes	\$10	\$15
Retail importer of cigarettes	\$100	\$150
Vending machine operating buying directly from manufacturer	\$100	\$150
Manufacturer	\$100	\$150
Any other importer	\$100	\$150
Transportation Company	\$5	\$7.50
Transporter	\$50	\$75

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The Department of Treasury would be authorized to issue licenses after the bill's effective date with an expiration date of September 30 of the immediately following year.

MCL 205.423 and 205.424

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.