

# HOUSE BILL NO. 4287

February 23, 2021, Introduced by Rep. Hall and referred to the Committee on Regulatory Reform.

A bill to amend 1993 PA 327, entitled  
"Tobacco products tax act,"  
by amending sections 2, 6, 7, and 12 (MCL 205.422, 205.426,  
205.427, and 205.432), section 2 as amended by 2020 PA 326, section  
6 as amended by 1997 PA 187, section 7 as amended by 2016 PA 86,  
and section 12 as amended by 2018 PA 639.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 2. As used in this act:
- 2       (a) "Alternative nicotine product" means a noncombustible

1 product containing nicotine that is intended for human consumption,  
2 whether chewed, absorbed, dissolved, or ingested by any other  
3 means. Alternative nicotine product does not include a product  
4 regulated as a drug or device by the United States Food and Drug  
5 Administration under 21 USC 351 to 360fff-8.

6 (b) ~~(a)~~—"Cigar" means any roll of tobacco wrapped in leaf  
7 tobacco or in any substance containing tobacco. Cigar does not  
8 include a cigarette.

9 (c) ~~(b)~~—"Cigarette" means a roll for smoking made wholly or in  
10 part of tobacco, irrespective of size or shape and irrespective of  
11 the tobacco being flavored, adulterated, or mixed with any other  
12 ingredient, which roll has a wrapper or cover made of paper or any  
13 other material. Cigarette does not include cigars.

14 (d) ~~(c)~~—"Cigarette making machine" means any machine or other  
15 mechanical device which meets all of the following criteria:

16 (i) Is capable of being loaded with loose tobacco, cigarette  
17 tubes or cigarette papers, and any other components related to the  
18 production of cigarettes, including, but not limited to, cigarette  
19 filters.

20 (ii) Is designed to automatically or mechanically produce,  
21 roll, fill, dispense, or otherwise generate cigarettes.

22 (iii) Is commercial-grade or otherwise designed or suitable for  
23 commercial use.

24 (iv) Is designed to be powered or otherwise operated by a main  
25 or primary power source other than human power.

26 (e) ~~(d)~~—"Commissioner" means the state treasurer.

27 (f) "Consumable material" means any volume of liquid nicotine  
28 solution, other than marihuana, that is depleted as an electronic  
29 smoking device is used.

1           **(g)** ~~(e)~~—"Container" or "shipping case" means an individual  
2 receptacle within which a tobacco product or group of tobacco  
3 products is placed for shipment, storage, or distribution, such as  
4 a box, case, or tote. A container or shipping case does not include  
5 any of the following:

6           (i) An individual package of cigarettes or cigarette carton  
7 containing cigarettes that are not counterfeit cigarettes.

8           (ii) Except for counterfeit cigarettes, the package or other  
9 article containing the tobacco product that is sold or transferred  
10 directly to the ultimate consumer.

11           (iii) A bag or similar package containing bulk or loose hookah  
12 tobacco, pipe tobacco, or roll-your-own cigarette tobacco that a  
13 retailer uses to fill bins, barrels, or tubs located at the  
14 retailer's place of business from which either the retailer sells a  
15 specified quantity of those tobacco products or a blend or mixture  
16 of those tobacco products to the consumer, or the consumer removes  
17 or draws a specified quantity of those tobacco products or a blend  
18 or mixture of those tobacco products for purchase at retail from  
19 the retailer.

20           (iv) A pallet or similar article or device upon which an  
21 individual receptacle or group of receptacles, containing the  
22 tobacco products, is placed for shipment, storage, or distribution.

23           (v) Property used as a protective covering for, or to keep  
24 together during shipment, storage, or distribution, a receptacle or  
25 group of receptacles within which the tobacco product is placed for  
26 shipment, storage, or distribution including shrink wrap or other  
27 wrapping materials, but excluding the protective covering which  
28 forms, gives shape to, or otherwise constitutes the receptacle  
29 within which the tobacco product is placed for shipment, storage,

1 or distribution.

2       **(h)** ~~(f)~~—"Counterfeit cigarette" means a cigarette in an  
3 individual package of cigarettes or other container with a false  
4 manufacturing label or a cigarette in an individual package of  
5 cigarettes or other container with a counterfeit stamp.

6       **(i)** ~~(g)~~—"Counterfeit cigarette paper" means a cigarette paper  
7 with a false manufacturing label or that has not been printed,  
8 manufactured, or made by authority of the trademark owner.

9       **(j)** ~~(h)~~—"Counterfeit stamp" means any stamp, label, or print,  
10 indicium, or character, that evidences, or purports to evidence,  
11 the payment of any tax levied under this act and that has not been  
12 printed, manufactured, or made by authority of the department as  
13 provided in this act and has not been issued, sold, or circulated  
14 by the department.

15       **(k)** ~~(i)~~—"Department" means the department of treasury.

16       **(l)** **"Electronic smoking device" means any device that can be**  
17 **used to deliver aerosolized or vaporized consumable material to the**  
18 **person inhaling from the device, including, but not limited to, an**  
19 **e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah. Electronic**  
20 **smoking device includes any component, part, or accessory of the**  
21 **device, whether or not sold separately, and includes any consumable**  
22 **material intended to be aerosolized or vaporized during the use of**  
23 **the device. Electronic smoking device does not include any battery**  
24 **or battery charger when sold separately. In addition, electronic**  
25 **smoking device does not include drugs, devices, or combination**  
26 **products authorized for sale as tobacco cessation products by the**  
27 **United States Food and Drug Administration, as those terms are**  
28 **defined under subchapter V of the federal food, drug, and cosmetic**  
29 **act, 21 USC 351 to 360fff-8.**

1           **(m)** ~~(j)~~—"Financially sound" means a determination by the  
 2 department that the wholesaler or unclassified acquirer is able to  
 3 pay the tax due on the tobacco products it sells, imports, or  
 4 acquires, as applicable, in the ordinary course of business based  
 5 on criteria including, but not limited to, all of the following:

6           (i) Past filing and payment history with the department.

7           (ii) Outstanding liabilities.

8           (iii) Review of current financial statements including, but not  
 9 limited to, balance sheets and income statements.

10          (iv) Duration that the wholesaler or unclassified acquirer has  
 11 been licensed under this act.

12          (v) Ability to pay for its stamps, if required under this act.

13          **(n)** ~~(k)~~—"Gray market cigarette" means any cigarette the  
 14 package of which bears any statement, label, stamp, sticker, or  
 15 notice indicating that the manufacturer did not intend the  
 16 cigarettes to be sold, distributed, or used in the United States,  
 17 including, but not limited to, a label stating "For Export Only",  
 18 "U.S. Tax Exempt", "For Use Outside U.S.", or similar wording.

19          **(o)** ~~(l)~~—"Gray market cigarette paper" means any cigarette paper  
 20 the package of which bears any statement, label, stamp, sticker, or  
 21 notice indicating that the manufacturer did not intend the  
 22 cigarette papers to be sold, distributed, or used in the United  
 23 States, including, but not limited to, a label stating "For Export  
 24 Only", "U.S. Tax Exempt", "For Use Outside U.S.", "For Use in  
 25 \_\_\_\_\_ (another country) Only", or similar wording.

26          **(p)** ~~(m)~~—"Hookah tobacco" means tobacco that is designed,  
 27 manufactured, or otherwise intended for consumption by smoking in a  
 28 hookah and that is flavored with honey, molasses, fruit, or other  
 29 natural or artificial flavors. Hookah tobacco includes those

1 products commonly known or referred to as narghile, argileh,  
2 shisha, hubble-bubble, molasses tobacco, waterpipe tobacco,  
3 maassel, or goza.

4 (q) ~~(n)~~—"Hookah" means a device, including a waterpipe, used  
5 for smoking hookah tobacco that consists of a tube connected to a  
6 chamber where the smoke is cooled passing through water.

7 (r) ~~(o)~~—"Individual package" means an individual packet or  
8 pack used to contain or to convey cigarettes to the consumer.  
9 Individual package does not include cartons, cases, or shipping or  
10 storage containers that contain smaller packaging units of  
11 cigarettes.

12 (s) ~~(p)~~—"Licensee" means a person licensed under this act.

13 (t) ~~(q)~~—"Manufacturer" means any of the following:

14 (i) Except as otherwise provided in this subdivision, a person  
15 who manufactures or produces a tobacco product.

16 (ii) A person who operates or who permits any other person to  
17 operate a cigarette making machine in this state for the purpose of  
18 producing, filling, rolling, dispensing, or otherwise generating  
19 cigarettes. A person who is a manufacturer under this subparagraph  
20 shall constitute a nonparticipating manufacturer for purposes of  
21 sections 6c and 6d. A person who operates or otherwise uses a  
22 machine or other mechanical device, other than a cigarette making  
23 machine, to produce, roll, fill, dispense, or otherwise generate  
24 cigarettes shall not be considered a manufacturer as long as the  
25 cigarettes are produced or otherwise generated in that person's  
26 dwelling and for that person's self-consumption. For purposes of  
27 this act, "self-consumption" means production for personal  
28 consumption or use and not for sale, resale, or any other profit-  
29 making endeavor.

1           (iii) A person who does any of the following shall not be  
2 considered a manufacturer:

3           (A) Mixes or blends 2 or more different tobacco products to  
4 create a custom mix or blend of those products if each of the  
5 constituent tobacco products mixed or blended together is a  
6 finished tobacco product that the person could or does otherwise  
7 sell to consumers and upon which the tax under this act has been  
8 paid.

9           (B) Creates or produces, by filling a fruit with hookah  
10 tobacco, what is commonly known as a fruit bowl or fruit head for  
11 use in a hookah.

12           (C) Rolls a cigar for his or her own self-consumption.

13           (u) **"Marihuana" means that term as defined in section 7106 of**  
14 **the public health code, 1976 PA 368, MCL 333.7106. For purposes of**  
15 **this act, "marihuana" and "marijuana" are synonymous.**

16           (v) ~~(r)~~—"Noncigarette smoking tobacco" means tobacco sold in  
17 loose or bulk form that is intended for consumption by smoking and  
18 also includes roll-your-own cigarette tobacco, hookah tobacco, pipe  
19 tobacco, or a wrap.

20           (w) ~~(s)~~—"Person" means an individual, partnership, fiduciary,  
21 association, limited liability company, corporation, or other legal  
22 entity.

23           (x) ~~(t)~~—"Pipe tobacco" means any tobacco that, because of its  
24 appearance, type, packaging, or labeling, is suitable for use and  
25 likely to be offered to, or purchased by, consumers as tobacco to  
26 smoke in a pipe.

27           (y) ~~(u)~~—"Place of business" means a place where a tobacco  
28 product is sold or where a tobacco product is brought or kept for  
29 the purpose of sale or consumption, including a vessel, airplane,

1 train, or vending machine.

2       **(z)** ~~(v)~~—"Retailer" means a person other than a transportation  
3 company who operates a place of business in this state, or who  
4 directs, manages, or has control over the day-to-day operations of  
5 a place of business in this state, for the purpose of making sales  
6 of a tobacco product at retail. A person described in this  
7 subdivision qualifies as a retailer regardless of whether that  
8 person owns the place of business.

9       **(aa)** ~~(w)~~—"Roll-your-own cigarette tobacco" means any tobacco  
10 which, because of its appearance, type, packaging, or labeling, is  
11 suitable for use and likely to be offered to, or purchased by,  
12 consumers as tobacco for making cigarettes.

13       **(bb)** ~~(x)~~—"Sale" means a transaction by which the ownership of  
14 tangible personal property is transferred for consideration and  
15 applies also to use, gifts, exchanges, barter, and theft.

16       **(cc)** ~~(y)~~—"Secondary wholesaler" means a person who sells a  
17 tobacco product for resale, who purchases a tobacco product from a  
18 wholesaler or unclassified acquirer licensed under this act, and  
19 who maintains an established place of business in this state where  
20 a substantial portion of the business is the sale of tobacco  
21 products and related merchandise at wholesale, and where at all  
22 times a substantial stock of tobacco products and related  
23 merchandise is available to retailers for resale.

24       **(dd)** ~~(z)~~—"Smokeless tobacco" means snuff, snus, chewing  
25 tobacco, moist snuff, and any other tobacco that is intended to be  
26 used or consumed, whether heated, chewed, absorbed, dissolved,  
27 inhaled, snorted, sniffed, or ingested, by any means other than  
28 smoking or combustion.

29       **(ee)** ~~(aa)~~—"Stamp" means a distinctive character, indication,

1 or mark, as determined by the department, attached or affixed to an  
2 individual package of cigarettes by mechanical device or other  
3 means authorized by the department to indicate that the tax imposed  
4 under this act has been paid.

5 (ff) ~~(bb)~~—"Stamping agent" means a wholesaler or unclassified  
6 acquirer other than a manufacturer who is licensed and authorized  
7 by the department to affix stamps to individual packages of  
8 cigarettes on behalf of themselves and other wholesalers or  
9 unclassified acquirers other than manufacturers.

10 (gg) ~~(ee)~~—"Tobacco product" means a product containing any  
11 amount of tobacco regardless of form including, but not limited to,  
12 cigarettes, cigars, noncigarette smoking tobacco, or smokeless  
13 tobacco. **Beginning January 1, 2022, tobacco product includes**  
14 **alternative nicotine products and consumable material.** A tobacco  
15 product does not include drugs, devices, or combination products  
16 authorized for sale by the United States Food and Drug  
17 Administration, as those terms are defined in the federal food,  
18 drug, and cosmetic act, 21 USC 351 to 360fff-7.

19 (hh) ~~(dd)~~—"Transportation company" means a person operating,  
20 or supplying to common carriers, cars, boats, or other vehicles for  
21 the transportation or accommodation of passengers and engaged in  
22 the sale of a tobacco product at retail.

23 (ii) ~~(ee)~~—"Transporter" means a person importing or  
24 transporting into this state, or transporting in this state, a  
25 tobacco product obtained from a source located outside this state,  
26 or from any person not duly licensed under this act. Transporter  
27 does not include an interstate commerce carrier licensed by the  
28 interstate commerce commission, or its successor federal agency, to  
29 carry commodities in interstate commerce, or a licensee maintaining

1 a warehouse or place of business outside of this state if the  
2 warehouse or place of business is licensed under this act.

3       **(jj)** ~~(ff)~~ "Unclassified acquirer" means a person, except a  
4 transportation company or a purchaser at retail from a retailer  
5 licensed under the general sales tax act, 1933 PA 167, MCL 205.51  
6 to 205.78, who imports or acquires a tobacco product from a source  
7 other than a wholesaler or secondary wholesaler licensed under this  
8 act for use, sale, or distribution in this state. Unclassified  
9 acquirer also means a person who purchases or receives tobacco  
10 products directly from a manufacturer licensed under this act or  
11 from another source outside this state, which source is not  
12 licensed under this act. An unclassified acquirer also includes a  
13 person not located in this state that sells a tobacco product,  
14 through a mail order, catalog sale, telephone order, internet sale,  
15 or any other means, to a retailer or other person in this state  
16 that is not licensed under this act as a wholesaler, unclassified  
17 acquirer other than a manufacturer, or secondary wholesaler. An  
18 unclassified acquirer does not include a wholesaler.

19       **(kk)** ~~(gg)~~ "Vending machine operator" means a person who  
20 operates 1 or more vending machines in this state for the sale of a  
21 tobacco product and who purchases a tobacco product from a  
22 manufacturer, licensed wholesaler, or secondary wholesaler.

23       **(ll)** ~~(hh)~~ "Wholesale price" means the actual price paid to a  
24 seller for a tobacco product, by a wholesaler or unclassified  
25 acquirer in order to acquire that tobacco product from the seller.  
26 The wholesale price includes any tax, fee, licensing, or other  
27 charge, except as otherwise provided in this subdivision, reflected  
28 on the invoice, bill of sale, purchase order, or other document  
29 evidencing the sale or purchase of the tobacco product. Wholesale

1 price does not include, if separately stated on the invoice, bill  
2 of sale, purchase order, or other document evidencing the sale of  
3 the tobacco product, shipping or handling charges for cigarettes,  
4 and reasonable shipping or handling charges for tobacco products  
5 other than cigarettes such as transportation, shipping, postage,  
6 handling, crating, or packing. When items or products, other than  
7 tobacco products, are included in a transaction for the purchase of  
8 tobacco products by a wholesaler or unclassified acquirer, charges  
9 for those products or items that are not tobacco products,  
10 including shipping and handling charges, may be excluded from the  
11 wholesale price if separately stated on the invoice, bill of sale,  
12 purchase order, or other document evidencing the sale or purchase.  
13 The wholesale price shall not be reduced due to any rebate, trade  
14 allowance, licensing or exclusivity agreement, volume or other  
15 discount, or any other reduction given by the seller or passed on  
16 to or otherwise received by the wholesaler or unclassified acquirer  
17 from the seller. If the wholesaler or unclassified acquirer has a  
18 relationship as described in section 267(b) of the internal revenue  
19 code of 1986, 26 USC 267, with the seller, the department may  
20 establish the wholesale price for the tobacco products based on the  
21 best available information or any other reasonable proxy for the  
22 wholesale price including, but not limited to, the wholesale price  
23 paid by other taxpayers for those tobacco products within the past  
24 4 years.

25 (mm) ~~(ii)~~ "Wholesaler" means a person who purchases all or  
26 part of its tobacco products from a manufacturer and who sells 75%  
27 or more of those tobacco products to others for resale. Wholesaler  
28 includes a chain of stores retailing a tobacco product to the  
29 consumer if 75% of its stock of tobacco products is purchased

1 directly from the manufacturer.

2        **(nn)** ~~(jj)~~ "Wrap" means an individual tobacco wrapper that is  
3 made wholly or in part from tobacco, including reconstituted  
4 tobacco, whether in the form of tobacco leaf, sheet, or tube, if  
5 the wrap is designed to be offered, or is offered, for sale to  
6 consumers to create or to use as a component part of a tobacco  
7 product.

8        Sec. 6. (1) A manufacturer, wholesaler, secondary wholesaler,  
9 vending machine operator, transportation company, unclassified  
10 acquirer, or retailer shall keep a complete and accurate record of  
11 each tobacco product manufactured, purchased, or otherwise  
12 acquired. Except for a manufacturer, the records shall include a  
13 written statement containing the name and address of both the  
14 seller and the purchaser, the date of delivery, the quantity, the  
15 trade name or brand, and the price paid for each tobacco product  
16 purchased. **If the consumable material is sold in the same package**  
17 **as an electronic smoking device, the record required under this**  
18 **subsection must segregate the price paid for the consumable**  
19 **material from the price paid for the electronic smoking device.** A  
20 licensee shall keep as part of the records a true copy of all  
21 purchase orders, invoices, bills of lading, and other written  
22 matter substantiating the purchase or acquisition of each tobacco  
23 product at the location where the tobacco product is stored or  
24 offered for sale. A retailer shall keep as part of the records a  
25 true copy of all purchase orders, invoices, bills of lading, and  
26 other written matter substantiating the purchase or acquisition of  
27 each tobacco product at the location where the tobacco product is  
28 offered for sale for a period of 4 months from the date of purchase  
29 or acquisition. The department may, by giving prior written

1 approval, authorize a person licensed under this act or a retailer  
2 to maintain records in a manner other than that required by this  
3 subsection. Other records shall be kept by these persons as the  
4 department reasonably prescribes.

5 (2) A manufacturer, wholesaler, unclassified acquirer, and  
6 secondary wholesaler shall deliver with each sale or consignment of  
7 a tobacco product a written statement containing the name or trade  
8 name and address of both the seller and the purchaser, the date of  
9 delivery, the quantity, and the trade name or brand of the tobacco  
10 product, correctly itemizing the prices paid for each brand  
11 purchased, and, **if the consumable material is sold in the same**  
12 **package as an electronic smoking device, the statement must**  
13 **segregate the price paid for the consumable material from the price**  
14 **paid for the electronic smoking device. The manufacturer,**  
15 **wholesaler, unclassified acquirer, and secondary wholesaler** shall  
16 retain a duplicate of each statement.

17 (3) A vending machine operator shall keep a detailed record of  
18 each vending machine owned for the sale of tobacco products showing  
19 the location of the machine, the date of placing the machine on the  
20 location, the quantity of each tobacco product placed in the  
21 machine, the date when placed there, and the amount of the  
22 commission paid or earned on sales through the vending machine.  
23 When filling or refilling the vending machine, the operator shall  
24 deliver to the owner or tenant occupying the premises where the  
25 machine is located a written statement containing his or her own  
26 name and address, the name and address of the owner or the tenant,  
27 the date when the machine was filled, and the quantity of each  
28 brand of tobacco product sold from the machine since the date when  
29 tobacco products were last placed in the machine. A person in

1 possession of premises where a vending machine is located shall  
2 keep a record of each tobacco product sold through the vending  
3 machine located on the premises and the amount of commission paid  
4 by the person operating the vending machine. The records shall  
5 consist of written statements required to be given by each person  
6 operating a vending machine for the sale of tobacco products as  
7 provided in this section.

8 (4) A licensee under this act shall not issue or accept a  
9 written statement or invoice that is known to the licensee to  
10 contain a statement or omission that falsely indicates the name of  
11 the customer, the type, trade name, or brand of merchandise, the  
12 quantity of each type, trade name, or brand of merchandise, the  
13 prices, the discounts, the date of the transaction, or the terms of  
14 sale. A person shall not use a device or game of chance to aid,  
15 promote, or induce sales or purchases of a tobacco product, or give  
16 a tobacco product in connection with a device or game of chance.

17 (5) All statements and other records required by this section  
18 shall be in a form prescribed by the department and shall be  
19 preserved for a period of 4 years and offered for inspection at any  
20 time upon oral or written demand by the department or its  
21 authorized agent by every wholesaler, secondary wholesaler, vending  
22 machine operator, unclassified acquirer, and retailer.

23 (6) If a tobacco product other than cigarettes is received or  
24 acquired within this state by a wholesaler, secondary wholesaler,  
25 vending machine operator, unclassified acquirer, or retailer, each  
26 original manufacturer's shipping case shall bear the name and  
27 address of the person making the first purchase or any other  
28 markings the department prescribes. If a tobacco product other than  
29 cigarettes is found in a place of business or otherwise in the

1 possession of a wholesaler, secondary wholesaler, vending machine  
2 operator, unclassified acquirer, transporter, or retailer without  
3 proper markings on the shipping case, box, or container of the  
4 tobacco product or if an individual package of cigarettes is found  
5 without a stamp affixed as provided under this act or if a tobacco  
6 product is found without proper substantiation by invoices or other  
7 records as required by this section, the presumption shall be that  
8 the tobacco product is kept in violation of this act. If a tobacco  
9 product is shipped outside the state, the licensee shipping the  
10 tobacco product shall cause to be placed on every shipping case or  
11 other container in which the tobacco product is shipped the name  
12 and address of the consignee or purchaser to whom the shipment is  
13 made outside of the state. The department may require reports from  
14 a common carrier who transports a tobacco product to a point within  
15 this state from another person who, under contract, transports a  
16 tobacco product, or from a bonded warehouseperson or bailee who has  
17 in his or her possession a tobacco product. A carrier, bailee,  
18 warehouseperson, or other person shall permit the inspection of the  
19 tobacco products and examination by the department or its duly  
20 authorized agent of any records relating to the shipment of a  
21 tobacco product into, from, or within the state.

22 (7) A transporter or other licensee transporting, possessing,  
23 or acquiring for the purpose of transporting a tobacco product upon  
24 a public highway, road, or street of this state shall have in his  
25 or her actual possession invoices or bills of lading containing the  
26 name and address of both the seller and the purchaser, the date of  
27 delivery, the name and address of the transporter, the quantity and  
28 trade name or brand of each tobacco product, the price paid for  
29 each trade name or brand in the transporter's possession or

1 custody, and the license as prescribed under this act. **If**  
2 **consumable material is transported in the same package as an**  
3 **electronic smoking device, the invoices or bills of lading must**  
4 **segregate the price paid for the consumable material from the price**  
5 **paid for the electronic smoking device.**

6 (8) A transporter desiring to possess or acquire for  
7 transportation or transport a tobacco product upon a highway, road,  
8 or street of this state shall obtain a permit from the department  
9 authorizing the transporter to possess or acquire for  
10 transportation or transport tobacco products and shall have the  
11 permit in his or her possession while the tobacco product is in his  
12 or her possession. This permit shall be obtained for each load  
13 being transported and shall contain a statement setting forth the  
14 name and address of the purchaser, seller, and transporter, the  
15 license number of the purchaser, the date of the delivery of the  
16 tobacco product or date of importation into this state, the route  
17 to be followed if a tobacco product is being transported from an  
18 out-of-state source, and any other information the department  
19 requires. The department shall provide a permit on a form  
20 prescribed by it upon the application of a transporter with the  
21 remittance of a fee of \$1.00. If a transporter transports a tobacco  
22 product into this state, the transporter shall stop at the nearest  
23 state police post within this state on the route authorized by the  
24 permit and disclose the tobacco products in his or her possession  
25 and the papers required by this section to be in his or her  
26 possession.

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

29 (a) Through July 31, 2002, for cigars, noncigarette smoking

1 tobacco, and smokeless tobacco, 16% of the wholesale price.

2 (b) For cigarettes, 37.5 mills per cigarette.

3 (c) Beginning August 1, 2002, for cigarettes, in addition to  
4 the tax levied in subdivision (b), an additional 15 mills per  
5 cigarette.

6 (d) Beginning August 1, 2002, for cigarettes, in addition to  
7 the tax levied in subdivisions (b) and (c), an additional 10 mills  
8 per cigarette.

9 (e) Beginning July 1, 2004, for cigarettes, in addition to the  
10 tax levied in subdivisions (b), (c), and (d), an additional 37.5  
11 mills per cigarette.

12 (f) Beginning August 1, 2002 and through June 30, 2004, for  
13 cigars, noncigarette smoking tobacco, and smokeless tobacco, 20% of  
14 the wholesale price.

15 (g) Beginning July 1, 2004, **except as otherwise provided in**  
16 **this subdivision**, for cigars, noncigarette smoking tobacco, and  
17 smokeless tobacco, **excluding consumable material**, 32% of the  
18 wholesale price. However, beginning November 1, 2012 and through  
19 October 31, 2021, the amount of tax levied under this subdivision  
20 on cigars shall not exceed 50 cents per individual cigar. **Beginning**  
21 **November 1, 2021 through October 31, 2022, the amount of the tax**  
22 **levied under this subdivision shall not exceed 65 cents per**  
23 **individual cigar. Beginning November 1, 2022, the amount of the tax**  
24 **levied under this subdivision shall not exceed 75 cents per**  
25 **individual cigar.**

26 (h) Beginning January 1, 2022, for consumable materials, 18%  
27 of the wholesale price.

28 (i) Beginning January 1, 2022, for alternative nicotine  
29 products, 50 cents per ounce of alternative nicotine product on the

1 **basis of net weight of the alternative nicotine product as listed**  
2 **by the manufacturer.**

3 (2) On or before the twentieth day of each calendar month,  
4 every licensee under section 3 other than a retailer, unclassified  
5 acquirer licensed as a manufacturer, or vending machine operator  
6 shall file a return with the department stating the wholesale price  
7 of each tobacco product other than cigarettes purchased, the  
8 quantity of cigarettes purchased, the wholesale price charged for  
9 all tobacco products other than cigarettes sold, the number of  
10 individual packages of cigarettes and the number of cigarettes in  
11 those individual packages, and the number and denominations of  
12 stamps affixed to individual packages of cigarettes sold by the  
13 licensee for each place of business in the preceding calendar  
14 month. The return ~~shall~~**must** also include the number and  
15 denomination of unaffixed stamps in the possession of the licensee  
16 at the end of the preceding calendar month. Wholesalers shall also  
17 report accurate inventories of cigarettes, both stamped and  
18 unstamped at the end of the preceding calendar month. Wholesalers  
19 and unclassified acquirers shall also report accurate inventories  
20 of affixed and unaffixed stamps by denomination at the beginning  
21 and end of each calendar month and all stamps acquired during the  
22 preceding calendar month. The return ~~shall~~**must** be signed under  
23 penalty of perjury. The return ~~shall~~**must** be on a form prescribed  
24 by the department and shall contain or be accompanied by any  
25 further information the department requires. The department may  
26 also require licensees to report cigarette acquisition, purchase,  
27 and sales information in other formats and frequency.

28 (3) To cover the cost of expenses incurred in the  
29 administration of this act, at the time of the filing of the

1 return, the licensee shall pay to the department the tax levied in  
2 subsection (1) for tobacco products sold during the calendar month  
3 covered by the return, less compensation equal to the following:

4 (a) One percent of the total amount of the tax due on tobacco  
5 products sold other than cigarettes.

6 (b) Through July 31, 2002, 1.25% of the total amount of the  
7 tax due on cigarettes sold.

8 (c) Beginning August 1, 2002, 1.5% of the total amount of the  
9 tax due on cigarettes sold and, beginning on June 20, 2012, for  
10 sales of untaxed cigarettes to Indian tribes in this state, an  
11 amount equal to 1.5% of the total amount of the tax due on those  
12 cigarettes sold as if those cigarette sales were taxable sales  
13 under this act.

14 (d) Beginning on the first calendar month following the  
15 implementation of the use of digital stamps as provided in section  
16 5a(2), for licensees who are stamping agents, 0.5% of the total  
17 amount of the tax due on cigarettes sold and, for sales of untaxed  
18 cigarettes to Indian tribes in this state, 0.5% of the total amount  
19 of the tax due on those cigarettes sold as if those cigarette sales  
20 were taxable sales under this act, until the stamping agent is  
21 compensated in an amount equal to the direct cost actually incurred  
22 by the stamping agent for the purchase of upgrades to technology  
23 and equipment, excluding the equipment reimbursed under subdivision  
24 (e), that are necessary to affix the digital stamp as determined by  
25 the department. Compensation under this subdivision may also be  
26 claimed by a stamping agent for the direct costs actually incurred  
27 by the stamping agent, as determined by the department and  
28 reflected in the net purchase price, for the initial and 1-time  
29 purchase of case packers or similar machines or conveyors as

1 follows:

2 (i) Case packers or similar machines to be used exclusively to  
3 repack cigarette cartons into case boxes after digital stamps have  
4 been applied by eligible equipment to the individual packages of  
5 cigarettes contained within those cigarette cartons. Compensation  
6 under this subparagraph may only be claimed by a stamping agent if  
7 the case packers or similar machines are in addition to, and not a  
8 replacement for, 1 or more case packers or similar machines used in  
9 connection with cigarette stamping machines which do not use the  
10 digital stamp authorized under this act.

11 (ii) Conveyors to be used exclusively for that portion of a  
12 cigarette stamping line that is necessary for and dedicated to  
13 cigarette stamping operations using eligible equipment to affix  
14 digital stamps to individual packages of cigarettes to be sold in  
15 this state. Compensation under this subparagraph may only be  
16 claimed by a stamping agent if the cigarette stamping line served  
17 by the conveyors is in addition to 1 or more distinct and existing  
18 cigarette stamping lines using stamping machines which do not use  
19 the digital stamp authorized under this act and that compensation  
20 shall not exceed a total of 50% of the amount reimbursed under  
21 subdivision (e) for any particular stamping agent.

22 (iii) Compensation under subparagraphs (i) and (ii) shall also  
23 include any applicable sales or use taxes paid, and shipping and  
24 crating charges actually incurred, by the stamping agent in  
25 connection with the purchase, but shall exclude any other costs  
26 incurred by the stamping agent not otherwise expressly provided for  
27 in this subdivision, including, but not limited to, charges for  
28 installation and ongoing maintenance.

29 (e) Beginning in the first calendar month following the

1 implementation of the use of digital stamps as provided in section  
2 5a(2) and continuing for the immediately succeeding 17 months, for  
3 licensees who are stamping agents, reimbursement of direct costs  
4 actually incurred by the stamping agent, as determined by the  
5 department, for the initial purchase of eligible equipment in an  
6 amount equal to 5.55% of the total net purchase price of the  
7 eligible equipment necessary to affix the digital stamp. The  
8 reimbursement provided under this subdivision shall also include  
9 reimbursement for any applicable sales or use taxes paid and  
10 shipping and crating charges actually incurred by the stamping  
11 agent for the initial purchase of eligible equipment, but shall  
12 exclude reimbursement for any other costs incurred by the stamping  
13 agent not otherwise expressly provided for in this subdivision,  
14 including, but not limited to, charges for installation and ongoing  
15 maintenance related to eligible equipment. A stamping agent may  
16 only receive reimbursement under this subdivision to the extent  
17 that the eligible equipment purchased by the stamping agent does  
18 not exceed the total number of the stamping agent's existing  
19 equipment as certified by the stamping agent on a form prescribed  
20 by the department.

21 (f) Beginning in the first calendar month following the  
22 implementation of the use of digital stamps as provided in section  
23 5a(2), for licensees who are stamping agents, reimbursement of  
24 qualified equipment costs actually incurred by the stamping agent,  
25 not otherwise compensated or reimbursed under subdivision (d) or  
26 (e), as determined by the department. The reimbursement provided  
27 under this subdivision shall not exceed \$60,000.00 for all stamping  
28 agents combined.

29 (4) Every licensee and retailer who, on August 1, 2002, has on

1 hand for sale any cigarettes upon which a tax has been paid  
2 pursuant to subsection (1)(b) shall file a complete inventory of  
3 those cigarettes before September 1, 2002 and shall pay to the  
4 department at the time of filing this inventory a tax equal to the  
5 difference between the tax imposed in subsection (1)(b), (c), and  
6 (d) and the tax that has been paid under subsection (1)(b). Every  
7 licensee and retailer who, on August 1, 2002, has on hand for sale  
8 any cigars, noncigarette smoking tobacco, or smokeless tobacco upon  
9 which a tax has been paid pursuant to subsection (1)(a) shall file  
10 a complete inventory of those cigars, noncigarette smoking tobacco,  
11 and smokeless tobacco before September 1, 2002 and shall pay to the  
12 department at the time of filing this inventory a tax equal to the  
13 difference between the tax imposed in subsection (1)(f) and the tax  
14 that has been paid under subsection (1)(a).

15 (5) Every licensee and retailer who, on July 1, 2004, has on  
16 hand for sale any cigarettes upon which a tax has been paid  
17 pursuant to subsection (1)(b), (c), and (d) shall file a complete  
18 inventory of those cigarettes before August 1, 2004 and shall pay  
19 to the department at the time of filing this inventory a tax equal  
20 to the difference between the tax imposed in subsection (1)(b),  
21 (c), (d), and (e) and the tax that has been paid under subsection  
22 (1)(b), (c), and (d). Every licensee and retailer who, on July 1,  
23 2004, has on hand for sale any cigars, noncigarette smoking  
24 tobacco, or smokeless tobacco upon which a tax has been paid  
25 pursuant to subsection (1)(f) shall file a complete inventory of  
26 those cigars, noncigarette smoking tobacco, and smokeless tobacco  
27 before August 1, 2004 and shall pay to the department at the time  
28 of filing this inventory a tax equal to the difference between the  
29 tax imposed in subsection (1)(g) and the tax that has been paid

1 under subsection (1)(f). The proceeds derived under this subsection  
2 shall be credited to the Michigan Medicaid benefits trust fund  
3 created under section 5 of the Michigan trust fund act, 2000 PA  
4 489, MCL 12.255.

5 **(6) Every licensee and retailer who, on January 1, 2022, has**  
6 **on hand for sale any consumable materials shall file a complete**  
7 **inventory of those consumable materials before February 1, 2022 to**  
8 **the department. A tax is not imposed on the consumable materials**  
9 **described in the complete inventory filed with the department.**

10 **(7) ~~(6)~~**—The department may require the payment of the tax  
11 imposed by this act upon the importation or acquisition of a  
12 tobacco product. A tobacco product for which the tax under this act  
13 has once been imposed and that has not been refunded if paid is not  
14 subject upon a subsequent sale to the tax imposed by this act.

15 **(8) ~~(7)~~**—An abatement or refund of the tax provided by this act  
16 may be made by the department for causes the department considers  
17 expedient. The department shall certify the amount and the state  
18 treasurer shall pay that amount out of the proceeds of the tax.

19 **(9) ~~(8)~~**—A person liable for the tax may reimburse itself by  
20 adding to the price of the tobacco products an amount equal to the  
21 tax levied under this act.

22 **(10) ~~(9)~~**—A wholesaler, unclassified acquirer, or other person  
23 shall not sell or transfer any unaffixed stamps acquired by the  
24 wholesaler or unclassified acquirer from the department. A  
25 wholesaler or unclassified acquirer who has any unaffixed stamps on  
26 hand at the time its license is revoked or expires, or at the time  
27 it discontinues the business of selling cigarettes, shall return  
28 those stamps to the department. The department shall refund the  
29 value of the stamps, less the appropriate discount paid.

1           **(11)** ~~(10)~~—If the wholesaler or unclassified acquirer has  
2 unsalable packs returned from a retailer, secondary wholesaler,  
3 vending machine operator, wholesaler, or unclassified acquirer with  
4 stamps affixed, the department shall refund the amount of the tax  
5 less the appropriate discount paid. If the wholesaler or  
6 unclassified acquirer has unaffixed unsalable stamps, the  
7 department shall exchange with the wholesaler or unclassified  
8 acquirer new stamps in the same quantity as the unaffixed unsalable  
9 stamps. An application for refund of the tax shall be filed on a  
10 form prescribed by the department for that purpose, within 4 years  
11 from the date the stamps were originally acquired from the  
12 department. A wholesaler or unclassified acquirer shall make  
13 available for inspection by the department the unused or spoiled  
14 stamps and the stamps affixed to unsalable individual packages of  
15 cigarettes. The department may, at its own discretion, witness and  
16 certify the destruction of the unused or spoiled stamps and  
17 unsalable individual packages of cigarettes that are not returnable  
18 to the manufacturer. The wholesaler or unclassified acquirer shall  
19 provide certification from the manufacturer for any unsalable  
20 individual packages of cigarettes that are returned to the  
21 manufacturer.

22           **(12)** ~~(11)~~—On or before the twentieth of each month, each  
23 manufacturer shall file a report with the department listing all  
24 sales of tobacco products to wholesalers and unclassified acquirers  
25 during the preceding calendar month and any other information the  
26 department finds necessary for the administration of this act. This  
27 report shall be in the form and manner specified by the department.

28           **(13)** ~~(12)~~—Each wholesaler or unclassified acquirer shall  
29 submit to the department an unstamped cigarette sales report on or

1 before the twentieth day of each month covering the sale, delivery,  
2 or distribution of unstamped cigarettes during the preceding  
3 calendar month to points outside of this state. A separate schedule  
4 shall be filed for each state, country, or province into which  
5 shipments are made. For purposes of the report described in this  
6 subsection, "unstamped cigarettes" means individual packages of  
7 cigarettes that do not bear a Michigan stamp. The department may  
8 provide the information contained in this report to a proper  
9 officer of another state, country, or province reciprocating in  
10 this privilege.

11 **(14)** ~~(13)~~—As used in subsection (3):

12 (a) "Eligible equipment" means a cigarette tax stamping  
13 machine that meets all of the following conditions:

14 (i) Was purchased by a stamping agent who was licensed as a  
15 stamping agent as of December 31, 2011.

16 (ii) Enables the stamping agent to affix digital stamps to  
17 individual packages of cigarettes in accordance with the  
18 requirements under section 6a(2).

19 (iii) Was purchased to be used for the primary purpose of  
20 permitting the stamping agent to affix digital stamps to individual  
21 packages of cigarettes to be sold in this state following the  
22 implementation of the use of digital stamps as provided in section  
23 5a(2).

24 (b) "Existing equipment" means a cigarette tax stamping  
25 machine that meets all of the following conditions:

26 (i) Was owned by a person who was licensed as a stamping agent  
27 as of December 31, 2011.

28 (ii) Was a cigarette tax stamping machine used prior to January  
29 1, 2012 by the stamping agent to apply stamps using stamp rolls of

1 30,000 stamps.

2 (c) "Qualified equipment" means equipment that was placed in  
3 service by a stamping agent that included conveyors and additional  
4 associated electrical line and compressed air line before August  
5 15, 2014 in connection with the implementation of a digital  
6 stamping line under a pilot program with the department as  
7 determined by the department. Qualified equipment does not include  
8 the cost of installation of a conveyor.

9 Sec. 12. (1) The proceeds derived from the payment of taxes,  
10 fees, and penalties provided for under this act and the license  
11 fees received by the department shall be deposited with the state  
12 treasurer and disbursed only as provided in this section and  
13 section 7(5). However, before a distribution of funds is made under  
14 this section, subject to appropriation, the funds described in this  
15 section may be used by the department, the attorney general, and  
16 the department of state police for enforcement and administration  
17 of this act.

18 (2) The tax imposed under section 7(1)(a) shall be disbursed  
19 as follows:

20 (a) 94% of the proceeds shall be credited to the state school  
21 aid fund established by section 11 of article IX of the state  
22 constitution of 1963.

23 (b) 6% of the proceeds shall be credited to the Healthy  
24 Michigan fund created under section 5953 of the public health code,  
25 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
26 in this subdivision that are used for smoking prevention programs  
27 shall be used by the department of health and human services to  
28 expand the free smokers quit kit program to include the nicotine  
29 patch or nicotine gum.

1           (3) The tax imposed on cigarettes under section 7(1)(b) shall  
2 be disbursed as follows:

3           (a) Beginning May 1, 1994 and through June 30, 2004, 5.3% of  
4 the proceeds shall be credited to the health and safety fund  
5 created in the health and safety fund act, 1987 PA 264, MCL 141.471  
6 to 141.479.

7           (b) Beginning July 1, 2004, 6.5% of the proceeds shall be  
8 credited to the health and safety fund created in the health and  
9 safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

10           (c) Through June 30, 2004, 25.3% of the proceeds shall be  
11 credited to the general fund of this state.

12           (d) Beginning July 1, 2004 and through September 30, 2014,  
13 24.1% of the proceeds shall be credited to the general fund of this  
14 state.

15           (e) 63.4% of the proceeds shall be credited to the state  
16 school aid fund established by section 11 of article IX of the  
17 state constitution of 1963.

18           (f) 6% of the proceeds shall be credited to the Healthy  
19 Michigan fund created under section 5953 of the public health code,  
20 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
21 in this subdivision that are used for smoking prevention programs  
22 shall be used by the department of health and human services to  
23 expand the free smokers quit kit program to include the nicotine  
24 patch or nicotine gum.

25           (g) Beginning October 1, 2014, 24.1% of the proceeds shall be  
26 disbursed as follows:

27           (i) For the 2014-2015 fiscal year and each subsequent fiscal  
28 year, \$3,000,000.00 to the Michigan state capitol historic site  
29 fund created in section 7 of the Michigan state capitol historic

1 site act, 2013 PA 240, MCL 4.1947. For the 2015-2016 fiscal year  
2 and each subsequent fiscal year, the state treasurer shall adjust  
3 the figure described in this subparagraph by an amount determined  
4 by the state treasurer at the end of each calendar year to reflect  
5 the cumulative annual percentage change in the ~~consumer price~~  
6 ~~index.~~ **Consumer Price Index.** Beginning for the 2015-2016 fiscal  
7 year and each subsequent fiscal year, if the cumulative annual  
8 percentage change in the ~~consumer price index~~ **Consumer Price Index**  
9 is negative, then the adjustment for that fiscal year is zero. As  
10 used in this subsection, "~~consumer price index~~" **Consumer Price**  
11 **Index**" means the most comprehensive index of consumer prices  
12 available for this state from the Bureau of Labor Statistics of the  
13 United States Department of Labor. From the funds described in this  
14 subparagraph, not later than February 1 of each year, the Michigan  
15 state capitol commission created in section 5 of the Michigan state  
16 capitol historic site act, 2013 PA 240, MCL 4.1945, shall report to  
17 the chairpersons of the house and senate appropriations committees.  
18 The report ~~shall~~ **must** contain all of the following:

19 (A) The proposed maintenance plan for the Michigan State  
20 Capitol Historical Site for the immediately following fiscal year.

21 (B) The projected 5-year maintenance plan for the Michigan  
22 State Capitol Historical Site for the immediately following 5  
23 fiscal years.

24 (C) Projected large-scale projects for the Michigan State  
25 Capitol Historical Site that exceed \$1,000,000.00.

26 (ii) The remaining proceeds shall be credited to the general  
27 fund of this state.

28 (4) Beginning August 1, 2002, the tax imposed on cigarettes  
29 under section 7(1)(c) shall be disbursed as follows:

1 (a) Through June 30, 2004, 74.2%, and beginning July 1, 2004,  
2 9.0% of the proceeds shall be credited to the general fund of this  
3 state.

4 (b) Through June 30, 2004, 4.6%, and beginning July 1, 2004,  
5 56.3% of the proceeds shall be credited to the state school aid  
6 fund established by section 11 of article IX of the state  
7 constitution of 1963.

8 (c) 6.0% of the proceeds shall be credited to the Healthy  
9 Michigan fund created under section 5953 of the public health code,  
10 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
11 in this subdivision that are used for smoking prevention programs  
12 shall be used by the department of health and human services to  
13 expand the free smokers quit kit program to include the nicotine  
14 patch or nicotine gum.

15 (d) Through June 30, 2004, 3.0%, and beginning July 1, 2004,  
16 3.7% of the proceeds shall be paid to counties with a 2000  
17 population of more than 2,000,000, to be used only for indigent  
18 health care.

19 (e) Through June 30, 2004, 12.2%, and beginning July 1, 2004,  
20 25.0% of the proceeds shall be credited to the Medicaid benefits  
21 trust fund created under section 5 of the Michigan trust fund act,  
22 2000 PA 489, MCL 12.255.

23 (5) Beginning August 1, 2002, the tax imposed under section  
24 7(1)(f) shall be disbursed as follows:

25 (a) 75.6% of the proceeds shall be credited to the state  
26 school aid fund established by section 11 of article IX of the  
27 state constitution of 1963.

28 (b) 6.0% of the proceeds shall be credited to the Healthy  
29 Michigan fund created under section 5953 of the public health code,

1 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
2 in this subdivision that are used for smoking prevention programs  
3 shall be used by the department of health and human services to  
4 expand the free smokers quit kit program to include the nicotine  
5 patch or nicotine gum.

6 (c) 18.4% of the proceeds shall be credited to the general  
7 fund of this state.

8 (6) Beginning August 1, 2002, the tax imposed on cigarettes  
9 under section 7(1)(d) shall be disbursed as follows:

10 (a) 94.0% of the proceeds shall be credited to the state  
11 school aid fund established by section 11 of article IX of the  
12 state constitution of 1963.

13 (b) 6.0% of the proceeds shall be credited to the Healthy  
14 Michigan fund created under section 5953 of the public health code,  
15 1978 PA 368, MCL 333.5953. Fifty percent of the proceeds described  
16 in this subdivision that are used for smoking prevention programs  
17 shall be used by the department of health and human services to  
18 expand the free smokers quit kit program to include the nicotine  
19 patch or nicotine gum.

20 (7) Beginning July 1, 2004, the tax imposed on cigarettes  
21 under section 7(1)(e) shall be disbursed as follows:

22 (a) Beginning July 1, 2004 and through September 30, 2005,  
23 100% of the proceeds shall be credited to the Michigan Medicaid  
24 benefits trust fund created under section 5 of the Michigan trust  
25 fund act, 2000 PA 489, MCL 12.255.

26 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be  
27 credited to the Michigan Medicaid benefits trust fund created under  
28 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

29 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be

1 credited to the general fund of this state.

2 (8) Beginning July 1, 2004, the tax imposed under section  
3 7(1)(g) shall be disbursed as follows:

4 (a) Beginning July 1, 2004 and through September 30, 2005,  
5 100% of the proceeds shall be credited to the Michigan Medicaid  
6 benefits trust fund created under section 5 of the Michigan trust  
7 fund act, 2000 PA 489, MCL 12.255.

8 (b) Beginning October 1, 2005, 75.0% of the proceeds shall be  
9 credited to the Michigan Medicaid benefits trust fund created under  
10 section 5 of the Michigan trust fund act, 2000 PA 489, MCL 12.255.

11 (c) Beginning October 1, 2005, 25.0% of the proceeds shall be  
12 credited to the general fund of this state.

13 **(9) Beginning January 1, 2022, the tax imposed under section**  
14 **7(1)(h) shall be distributed as follows:**

15 **(a) The first \$250,000.00 shall be credited to the department**  
16 **of treasury for tax enforcement purposes.**

17 **(b) The next \$2,500,000.00 shall be distributed to local**  
18 **health departments for local public health programs.**

19 **(c) The next \$2,500,000.00 shall be credited to the department**  
20 **of health and human services for enforcement and compliance**  
21 **purposes under the youth tobacco act, 1915 PA 31, MCL 722.641 to**  
22 **722.645.**

23 **(d) The remainder shall be credited to the general fund of**  
24 **this state.**

25 **(10) ~~(9)~~—The proceeds of the fees and penalties provided for**  
26 **in this act shall be used for the administration of this act.**