

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2263

Introduced by

Senator Mathern

Representative Sveen

A BILL for an Act to amend and reenact subsection 1 of section 57-36-25, subsection 1 of section 57-36-26, and subsection 1 of section 57-36-28 of the North Dakota Century Code, relating to tobacco products tax rates; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 57-36-25 of the North Dakota Century Code is amended and reenacted as follows:

1. There is hereby levied and assessed upon all cigars, snuff, and other tobacco products sold in this state an excise tax at the rate of ~~twenty-eight~~ thirty-two percent of the wholesale purchase price at which such cigars, snuff, and other tobacco products are purchased by distributors. For the purposes of this section, the term "wholesale purchase price" shall mean the established price for which a manufacturer sells cigars, snuff, or other tobacco products to a distributor exclusive of any discount or other reduction. The proceeds of such tax, together with such forms of return and in accordance with such rules and regulations as the tax commissioner may prescribe, shall be remitted to the tax commissioner by the distributor on a calendar quarterly basis on or before the tenth day of the month following the quarterly period for which paid. The tax commissioner shall, however, have authority to prescribe monthly returns upon the request of the licensee distributor and such returns accompanied with remittance shall be filed before the tenth day of the month following the month for which the returns are filed.

SECTION 2. AMENDMENT. Subsection 1 of section 57-36-26 of the North Dakota Century Code is amended and reenacted as follows:

1 1. There is hereby levied and assessed upon all cigars, snuff, and other tobacco
2 products, purchased in another state and brought into this state by a dealer for the
3 purpose of sale at retail, an excise tax at the rate of ~~twenty-eight~~ thirty-two percent
4 of the wholesale purchase price at the time the products were brought into this
5 state. For the purposes of this section, the term "wholesale purchase price" means
6 the established price for which a manufacturer sells cigars, snuff, or other tobacco
7 products to a distributor exclusive of any discount or other reduction. However, the
8 dealer may elect to report and remit the tax on the cost price of the products to the
9 dealer rather than on the wholesale purchase price. The proceeds of the tax,
10 together with the forms of return and in accordance with any rules and regulations
11 the tax commissioner may prescribe, must be remitted to the tax commissioner by
12 the dealer on a monthly basis on or before the fifteenth day of the month following
13 the monthly period for which it is paid. The tax commissioner shall have the
14 authority to place any dealer on an annual remittance basis when in the judgment
15 of the tax commissioner the operations of the dealer merit that remittance period.
16 In addition, the tax commissioner shall have the authority to permit the
17 consolidation of the filing of a dealer's return when the dealer has more than one
18 location and thereby would be required to file more than one return.

19 **SECTION 3. AMENDMENT.** Subsection 1 of section 57-36-28 of the North Dakota
20 Century Code is amended and reenacted as follows:

21 1. A tax is hereby imposed upon the use or storage by consumers of cigars, snuff,
22 and other tobacco products in this state, and upon those consumers, at the rate of
23 ~~twenty-eight~~ thirty-two percent of the cost to the consumer of those products.

24 **SECTION 4. APPROPRIATION.** There is hereby appropriated out of any moneys in
25 the general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so
26 much of the sum as may be necessary, to the department of human services for dental services
27 under the medical assistance program for the biennium beginning July 1, 1997, and ending
28 June 30, 1999. The appropriation in this section must be used for expanded access to dental
29 care and may be used to match money available from federal sources for that purpose.

30 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
31 June 30, 1997.