

Fifty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2263

Introduced by

Senator Mathern

Representative Sveen

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

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

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

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

23 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-36-26 of the North Dakota  
24 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"  
6                   means the established price for which a manufacturer sells cigars, snuff, or other  
7                   tobacco products to a distributor exclusive of any discount or other reduction.  
8                   However, the dealer may elect to report and remit the tax on the cost price of the  
9                   products to the dealer rather than on the wholesale purchase price. The proceeds  
10                  of the tax, together with the forms of return and in accordance with any rules and  
11                  regulations the tax commissioner may prescribe, must be remitted to the tax  
12                  commissioner by the dealer on a monthly basis on or before the fifteenth day of the  
13                  month following the monthly period for which it is paid. The tax commissioner shall  
14                  have the authority to place any dealer on an annual remittance basis when in the  
15                  judgment of the tax commissioner the operations of the dealer merit that  
16                  remittance period. In addition, the tax commissioner shall have the authority to  
17                  permit the consolidation of the filing of a dealer's return when the dealer has more  
18                  than one 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. CONTINGENT APPROPRIATION.** If the child care services trust fund  
25 provided for in House Bill No. 1465, as approved by the fifty-fifth legislative assembly, is  
26 established, there is hereby appropriated out of any moneys in the general fund in the state  
27 treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be  
28 necessary, to the department of human services for deposit in the child care services trust fund,  
29 for the biennium beginning July 1, 1997, and ending June 30, 1999. The appropriation in this  
30 section must be used for administering and maintaining the child care services trust fund,  
31 ensuring quality child care services, and developing child care resource and referral programs.

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