

**453A.43 Tax on tobacco products.**

1. *a.* A tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor of tobacco products, at the rate of twenty-two percent of the wholesale sales price of the tobacco products, except little cigars and snuff as defined in section 453A.42.

*b.* In addition to the tax imposed under paragraph “*a*”, a tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor of tobacco products, at the rate of twenty-eight percent of the wholesale sales price of the tobacco products, except little cigars and snuff as defined in section 453A.42.

*c.* Notwithstanding the rate of tax imposed pursuant to paragraphs “*a*” and “*b*”, if the tobacco product is a cigar, the total amount of the tax imposed pursuant to paragraphs “*a*” and “*b*” combined shall not exceed fifty cents per cigar.

*d.* Little cigars shall be subject to the same rate of tax imposed upon cigarettes in section 453A.6, payable at the time and in the manner provided in section 453A.6; and stamps shall be affixed as provided in division I of this chapter. Snuff shall be subject to the tax as provided in subsections 3 and 4.

*e.* The taxes on tobacco products, excluding little cigars and snuff, shall be imposed at the time the distributor does any of the following:

(1) Brings, or causes to be brought, into this state from outside the state tobacco products for sale.

(2) Makes, manufactures, or fabricates tobacco products in this state for sale in this state.

(3) Ships or transports tobacco products to retailers in this state, to be sold by those retailers.

2. *a.* A tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon the consumers, at the rate of twenty-two percent of the cost of the tobacco products.

*b.* In addition to the tax imposed in paragraph “*a*”, a tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon the consumers, at a rate of twenty-eight percent of the cost of the tobacco products.

*c.* Notwithstanding the rate of tax imposed pursuant to paragraphs “*a*” and “*b*”, if the tobacco product is a cigar, the total amount of the tax imposed pursuant to paragraphs “*a*” and “*b*” combined shall not exceed fifty cents per cigar.

*d.* The taxes imposed by this subsection shall not apply if the taxes imposed by subsection 1 on the tobacco products have been paid.

*e.* The taxes imposed under this subsection shall not apply to the use or storage of tobacco products in quantities of:

(1) Less than twenty-five cigars.

(2) Less than one pound smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

3. A tax is imposed upon all snuff in this state and upon any person engaged in business as a distributor of snuff at the rate of one dollar and nineteen cents per ounce, with a proportionate tax at the same rate on all fractional parts of an ounce of snuff. The tax shall be computed based on the net weight listed by the manufacturer. The tax on snuff shall be imposed at the time the distributor does any of the following:

*a.* Brings or causes to be brought into this state from outside the state, snuff for sale.

*b.* Makes, manufactures, or fabricates snuff in this state for sale in this state.

*c.* Ships or transports snuff to retailers in this state, to be sold by those retailers.

4. *a.* A tax is imposed upon the use or storage by consumers of snuff in this state, and upon the consumers, at the rate of one dollar and nineteen cents per ounce with a proportionate tax at the same rate on all fractional parts of an ounce of snuff. The tax shall be computed based on the net weight as listed by the manufacturer.

*b.* The tax imposed by this subsection shall not apply if the tax imposed by subsection 3 on snuff has been paid.

*c.* The tax shall not apply to the use or storage of snuff in quantities of less than ten ounces.

5. Any tobacco product with respect to which a tax has once been imposed under this

division shall not again be subject to tax under this division, except as provided in section 453A.40.

6. The tax imposed by this section shall not apply with respect to any tobacco product which under the Constitution and laws of the United States may not be made the subject of taxation by this state.

7. The tax imposed by this section shall be in addition to all other occupation or privilege taxes or license fees now or hereafter imposed by any city or county.

8. All excise taxes collected under this chapter by a distributor or any individual are deemed to be held in trust for the state of Iowa.

[C71, 73, 75, 77, 79, 81, §98.43]

85 Acts, ch 32, §2; 88 Acts, ch 1005, §3; 91 Acts, ch 267, §511, 512

C93, §453A.43

2004 Acts, ch 1073, §45; 2007 Acts, ch 17, §10, 12; 2007 Acts, ch 186, §46, 55

[P] Inventory tax, §453A.40

[SP] Claims for refunds of taxes which result from amendments to subsections 1 and 2 by 2007 Acts, ch 186, §46, relating to the limitation on taxes imposed on cigars occurring between March 15, 2007, and May 24, 2007, to be made by October 1, 2007; interest on refunds not allowed; retroactive applicability to March 15, 2007; 2007 Acts, ch 186, §54, 55