

Senate Amendment 5219

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1 1 Amend House File 2743, as amended, passed, and
1 2 reprinted by the House, as follows:
1 3 #1. Page 10, by inserting after line 15 the
1 4 following:

1 5 <Sec. _____. Section 12.65, subsection 1, Code 2005,
1 6 is amended to read as follows:

1 7 1. A healthy Iowans tobacco trust is created in
1 8 the office of the treasurer of state. Moneys
1 9 transferred to the healthy Iowans tobacco trust from
1 10 the endowment for Iowa's health account of the tobacco
1 11 settlement trust fund established in section 12E.12
1 12 and appropriated or transferred from any other source
1 13 shall be deposited in the healthy Iowans tobacco
1 14 trust. Additionally, proceeds derived from payment of
1 15 taxes pursuant to section 453A.6, subsection 1,
1 16 paragraph "a", subparagraph (2); section 453A.6,
1 17 subsection 1, paragraph "b", subparagraph (2); section
1 18 453A.43, subsection 1, paragraph "b"; and section
1 19 453A.43, subsection 2, paragraph "b", shall be
1 20 credited to the healthy Iowans tobacco trust.

1 21 Sec. _____. Section 453A.6, subsection 1, Code 2005,
1 22 is amended to read as follows:

1 23 1. There is imposed, and shall be collected and
1 24 paid to the department, the following taxes on all
1 25 cigarettes used or otherwise disposed of in this state
1 26 for any purpose whatsoever:

1 27 a. CLASS A.

1 28 (1) On cigarettes weighing not more than three
1 29 pounds per thousand, ~~eighteen mills one and~~
1 30 eight-tenths cents on each such cigarette.

1 31 (2) In addition to the tax imposed in subparagraph
1 32 (1), on cigarettes weighing not more than three pounds
1 33 per thousand, three and two-tenths cents on each
1 34 cigarette.

1 35 b. CLASS B.

1 36 (1) On cigarettes weighing more than three pounds
1 37 per thousand, ~~eighteen mills one and eight-tenths~~
1 38 cents on each such cigarette.

1 39 (2) In addition to the tax imposed in subparagraph
1 40 (1), on cigarettes weighing more than three pounds per
1 41 thousand, three and two-tenths cents on each
1 42 cigarette.

1 43 Sec. _____. Section 453A.35, Code 2005, is amended
1 44 to read as follows:

1 45 453A.35 TAX AND FEES PAID TO GENERAL FUND.

1 46 The proceeds derived from the sale of stamps and
1 47 the payment of taxes, fees and penalties provided for
1 48 under this chapter, and the permit fees received from
1 49 all permits issued by the department, with the
1 50 exception of the proceeds derived from payment of

2 1 taxes pursuant to section 453A.6, subsection 1,
2 2 paragraph "a", subparagraph (2); section 453A.6,
2 3 subsection 1, paragraph "b", subparagraph (2); section
2 4 453A.43, subsection 1, paragraph "b"; and section
2 5 453A.43, subsection 2, paragraph "b", which shall be
2 6 credited to the healthy Iowans tobacco trust created

2 7 in section 12.65, shall be credited to the general
2 8 fund of the state. All permit fees provided for in
2 9 this chapter and collected by cities in the issuance
2 10 of permits granted by the cities shall be paid to the
2 11 treasurer of the city where the permit is effective,
2 12 or to another city officer as designated by the
2 13 council, and credited to the general fund of the city.
2 14 Permit fees so collected by counties shall be paid to
2 15 the county treasurer.

2 16 Sec. _____. Section 453A.40, subsection 1, Code
2 17 2005, is amended to read as follows:

2 18 1. All of the following persons shall be subject
2 19 to an inventory tax on the following items as provided
2 20 in this section:

2 21 a. All persons required to be licensed obtain a
2 22 permit under section 453A.13 as distributors or to be
2 23 licensed under section 453A.44 as a distributor or
2 24 subjobber, having in their possession and held for

2 25 resale on the effective date of an increase in the tax
2 26 rate cigarettes, ~~or~~ little cigars, ~~or tobacco products~~
2 27 upon which the tax under section 453A.6 or 453A.43 has
2 28 been paid, unused cigarette tax stamps which have been
2 29 paid for under section 453A.8, or unused metered
2 30 imprints which have been paid for under section
2 31 453A.12 shall be subject to an inventory tax on the
~~2 32 items as provided in this section.~~

2 33 b. All consumers having for use or storage on the
2 34 effective date of an increase in the tax rate, tobacco
2 35 products upon which the tax under section 453A.43 has
2 36 been paid.

2 37 c. All consumers subject to section 453A.46,
2 38 subsection 6, who have acquired title to or possession
2 39 of tobacco products for storage in this state, upon
2 40 which tobacco products the tax imposed by section
2 41 453A.43 has not been paid.

2 42 Sec. _____. Section 453A.43, subsections 1 and 2,
2 43 Code 2005, are amended to read as follows:

2 44 1. a. A tax is imposed upon all tobacco products
2 45 in this state and upon any person engaged in business
2 46 as a distributor of tobacco products, at the rate of
2 47 twenty-two percent of the wholesale sales price of the
2 48 tobacco products, except little cigars as defined in
2 49 section 453A.42.

2 50 b. In addition to the tax imposed under paragraph
3 1 "a", a tax is imposed upon all tobacco products in
3 2 this state and upon any person engaged in business as
3 3 a distributor of tobacco products, at the rate of
3 4 thirty-three percent of the wholesale sales price of
3 5 the tobacco products, except little cigars as defined
3 6 in section 453A.42.

3 7 c. Little cigars shall be subject to the same rate
3 8 of tax imposed upon cigarettes in section 453A.6,
3 9 payable at the time and in the manner provided in
3 10 section 453A.6; and stamps shall be affixed as
3 11 provided in division I of this chapter.

3 12 d. The ~~tax~~ taxes on tobacco products, excluding
3 13 little cigars, shall be imposed at the time the
3 14 distributor does any of the following:

3 15 ~~a-~~ (1) Brings, or causes to be brought, into this
3 16 state from without the state tobacco products for
3 17 sale.

3 18 ~~b-~~ (2) Makes, manufactures, or fabricates tobacco
3 19 products in this state for sale in this state.

3 20 ~~c-~~ (3) Ships or transports tobacco products to
3 21 retailers in this state, to be sold by those
3 22 retailers.

3 23 2. a. A tax is imposed upon the use or storage by
3 24 consumers of tobacco products in this state, and upon
3 25 the consumers, at the rate of twenty-two percent of
3 26 the cost of the tobacco products.

3 27 b. In addition to the tax imposed in paragraph
3 28 "a", a tax is imposed upon the use or storage by
3 29 consumers of tobacco products in this state, and upon
3 30 the consumers, at a rate of thirty-three percent of
3 31 the cost of the tobacco products.

3 32 c. The ~~tax~~ taxes imposed by this subsection shall
3 33 not apply if the ~~tax~~ taxes imposed by subsection 1 on
3 34 the tobacco products ~~has~~ have been paid.

3 35 d. This tax ~~The taxes~~ imposed under this
3 36 subsection shall not apply to the use or storage of
3 37 tobacco products in quantities of:

3 38 ~~a-~~ (1) Less than 25 cigars.

3 39 ~~b-~~ (2) Less than 10 oz. snuff or snuff powder.

3 40 ~~c-~~ (3) Less than 1 lb. smoking or chewing tobacco
3 41 or other tobacco products not specifically mentioned
3 42 herein, in the possession of any one consumer.>

3 43 #2. Page 10, by inserting after line 23 the
3 44 following:

3 45 <Sec. _____. EFFECTIVE DATE. The sections of this
3 46 Act amending section 12.65; section 453A.6, subsection
3 47 1; section 453A.35; section 453A.40, subsection 1; and
3 48 section 453A.43, subsections 1 and 2, being deemed of
3 49 immediate importance, take effect on the first day of
3 50 the month that begins following enactment of this
4 1 Act.>

4 2 #3. By renumbering as necessary.

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4 6 JACK HATCH
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4 9
4 10 ROBERT E. DVORSKY
4 11 HF 2743.304 81
4 12 pf/cf/4124
