

FEB 5 1971

Place On Calendar

HOUSE FILE 177

By COMMITTEE ON WAYS AND MEANS

Passed House, Date 2-12-71 Passed Senate, Date 2-17-71

Vote: Ayes 85 Nays 9 Vote: Ayes 38 Nays 7

Approved March 9, 1971

*Motion to reconsider filed, lost 2-19  
Rescinded from consideration and passed 3-11  
41-6*

# A BILL FOR

1 An Act to increase the tax on cigarettes.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section ninety-eight point six (98.6), subsec-  
2 tion one (1), Code 1971, is amended as follows:

3 1. There is hereby levied, assessed, and imposed, and shall  
4 be collected and paid to the department, the following taxes on  
5 all cigarettes used or otherwise disposed of in this state for  
6 any purpose whatsoever:

7 Class A. On cigarettes weighing not more than three pounds  
8 per thousand, five six and one-half mills on each such cigar-  
9 ette.

10 Class B. On cigarettes weighing more than three pounds per  
11 thousand, six seven and one-half mills on each such cigarette.

12 Sec. 2. This Act, being deemed of immediate importance,  
13 shall take effect and be in force from and after its publica-  
14 tion in The Newton Daily News, a newspaper published in  
15 Newton, Iowa, and in The Sheldon Mail,  
16 a newspaper published in Sheldon, Iowa.

17 EXPLANATION

18 This bill increases the tax on a package of cigarettes from  
19 \$.10 to \$.13 for cigarettes weighing three pounds per thousand  
20 or less and from \$.12 to \$.15 for cigarettes weighing more than  
21 three pounds per thousand.

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*Proof of Publication 4/12/71  
Newton Daily News 3/12  
The Sheldon Mail 3/10*

Date prepared February 11, 1971

Request by Representative Den Herder.

Prepared in regard to H.F. 177, an Act to increase the tax on cigarettes. Following is the fiscal effect in dollars of the legislative proposal as required by House Rule 48.

It is estimated that the net increase in revenue from the increase in the tax will amount to approximately \$7,000,000 to \$7,500,000 per year

Included in this estimate is a provision for a decrease in consumption of cigarettes.

Source: Department of Revenue

Filed  
February 12, 1971

By GERRY D. RANKIN  
Legislative Fiscal Director

- 1 Amend House File 177 as follows:
- 2 1. Page 2, line 8, by striking the word "six"
- 3 and inserting in lieu thereof the word "seven"
- 4 2. Page 2, line 11, by striking the word "seven"
- 5 and inserting in lieu thereof the word "eight"

Filed from the Floor and Lost  
February 12, 1971

By JESSE of Polk  
District 58  
SKINNER of Polk  
District 60  
KENNEDY of Chickasaw  
District 11

House 5  
Feb. 12, 1971

HOUSE FILE 177

- 1 Amend House File 177 as follows:  
2 1. By adding thereto the following new section:  
3 Sec. 2. Section ninety-eight point forty-three  
4 (98.43), subsections one (1) and two (2), Code 1971,  
5 are amended as follows:  
6 1. A tax is hereby imposed upon all tobacco  
7 products in this state and upon any person engaged in  
8 business as a distributor thereof, at the rate of ~~ten~~  
9 thirteen percent of the wholesale sales price of such  
10 tobacco products. Such tax, shall be imposed at the  
11 time the distributor (a) brings, or causes to be  
12 brought, into this state from without the state  
13 tobacco products for sale; (b) makes, manufacture, or  
14 fabricates tobacco products in this state for sale in  
15 this state; or (c) ships or transports tobacco  
16 products to retailers in this state, to be sold by  
17 those retailers.  
18 2. A tax is hereby imposed upon the use or  
19 storage by consumers of tobacco products in this  
20 state, and upon such consumers, at the rate of ~~ten~~  
21 thirteen percent of the cost of such tobacco products.  
22 This tax imposed by this subsection shall not  
23 apply if the tax imposed by subsection 1 on such  
24 tobacco products has been paid.  
25 This tax shall not apply to the use or storage of  
26 tobacco products in quantities of:  
27 a. Less than 25 cigars:  
28 b. Less than 10 oz. snuff or snuff powder;  
29 c. Less than 1 lb. smoking or chewing tobacco or  
30 other tobacco products not specifically mentioned  
31 herein, in the possession of any one consumer.  
32 2. By renumbering the subsequent section.

Filed - *Withdrawn 2/12/71*  
February 11, 1971

By ROORDA of Jasper  
District 67

- 1 Amend House File 177 as follows:  
2 1. Page 2, line 8, by striking the word "six" and inserting  
3 in lieu thereof the word "seven".  
4 2. Page 2, line 11, by striking the word "seven" and  
5 inserting in lieu thereof the word "eight".

Received from the Senate  
Filed  
February 19, 1971

*House refused to concur 2/26*  
*Senate receded 3/2*

1 Amend the Senate amendment to House File 177  
2 as follows:  
3 1. Line 3, by striking the word "seven" and  
4 inserting the words "one mill to be deposited in  
5 the state conservation fund, and in addition six".  
6 2. Line 5, by striking the word "eight" and  
7 inserting in lieu thereof the words "one mill to  
8 be deposited in the state conservation fund, and  
9 in addition seven".

Filed - *Lost 2/26*  
February 23, 1971

By TIEDEN of Clayton  
District 14

1 Amend House File 177, page 2, by adding after line  
2 11 the following new section and renumbering the remain-  
3 ing section:  
4 Sec. 2. Section ninety-eight point eight (98.8),  
5 subsection one (1), Code 1971, is amended as follows:  
6 1. Stamps shall be sold by and purchased from the  
7 department only. The department shall sell stamps to  
8 the holder of a state or manufacturer's permit which  
9 has not be revoked and to no other person. Stamps  
10 shall be sold to such permit holders at a discount of  
11 not to exceed ~~five~~ two percent from the face value.  
12 Stamps shall be sold in unbroken sheets of one hundred  
13 stamps only.

Filed - *Lost 2/17*  
February 16, 1971

By GAUDINEER

*Senate*

1 Amend House File 177 as follows:  
2 1. Page 2, line 8, by striking the word "six" and  
3 inserting in lieu thereof the word "seven".  
4 2. Page 2, line 11, by striking the word "seven" and  
5 inserting in lieu thereof the word "eight".

Filed and Adopted  
February 17, 1971

By COLEMAN

*Senate*