

Approved May 24, 1991.

CHAPTER 671

(House Bill 707)

AN ACT concerning

Taxation of Cigarettes and Tobacco Products Sales and Use Tax — Removal of Exemption for Cigarettes Exemptions — Tobacco Tax — Income Tax — Supplementary Appropriation

FOR the purpose of repealing the exemption under the sales and use tax for the sale of cigarettes on which the tobacco tax is paid; ~~extending the tobacco tax and related provisions, including certain criminal prohibitions and penalties, to certain tobacco products other than cigarettes and to cigarette rolling papers; extending certain licensing provisions related to the tobacco tax to certain tobacco products other than cigarettes and to cigarette rolling papers; defining certain terms under the tobacco tax law and under certain cigarette and tobacco product licensing provisions; authorizing the Comptroller to establish by regulation a system of administering, collecting, and enforcing the tobacco tax on tobacco products other than cigarettes by a means other than tax stamps; and generally relating to the imposition of the tobacco tax on certain tobacco products other than cigarettes and cigarette rolling papers explaining the intent of the General Assembly; clarifying the method of computation of the sales and use tax; providing for the crediting of certain funds collected under the provisions of this Act to a certain fiscal year; and providing for the effective date of this Act; altering the exemption under the sales and use tax for certain sales of food; altering the definition of "food" for purposes of the exemption; increasing the rate of the tobacco tax; altering the distribution of the tobacco tax revenue; providing for the legislative appropriation for a certain fiscal year of certain revenues derived from the modification and repeal of certain sales and use tax exemptions and the increased tobacco tax imposed by this Act; making this Act a supplementary appropriation; altering, and in certain circumstances eliminating, for a certain taxable year the subtraction modification for capital gains for Maryland income tax purposes; repealing the subtraction modification for capital gains for Maryland income tax purposes after a certain date; providing for the application of this Act; altering a certain discount provision under the tobacco tax; and generally relating to the tobacco tax, income tax for purposes of capital gains, and certain exemptions under the sales and use tax in order to provide revenues to help support the budget of the State.~~

BY repealing and reenacting, with amendments,

Article 56 — Licenses

Section ~~607(d), 610(b), (c), (e), (f), (g), (h), (j), (k), (l), and (o), 611, 612, 613, 614, 616, 617(a), 618, 620(d)(1), 622, 623, 625, 626, and 627~~

Annotated Code of Maryland

(1988 Replacement Volume and 1990 Supplement)