

CHAPTER 665

(Senate Bill 409)

AN ACT concerning

Sample Cigarettes - Tax

FOR the purpose of ~~altering the number of cigarettes in a free sample package to which the tobacco tax does not apply; repealing a certain tax exemption for sample cigarettes; imposing a certain tax on sample cigarette packages containing over a certain number of cigarettes at a certain rate; providing for payment and report of the tax on sample cigarettes; and generally relating to the tobacco tax on sample cigarettes.~~

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes
Section 432(b) and 433
Annotated Code of Maryland
(1980 Replacement Volume and 1985 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 81 - Revenue and Taxes

432.

~~(b) (1) The tax hereby levied shall not apply to free distribution of sample cigarettes in packages containing five (5) or less cigarettes~~ RATE OR AMOUNT OF TAX LEVIED AND IMPOSED ON ALL PACKS OF FREE SAMPLE CIGARETTES SHALL BE 6 1/2 MILLS PER CIGARETTE.

(2) THE COMPTROLLER MAY AUTHORIZE THE PAYMENT OF TAX ON SAMPLE CIGARETTES TO BE MADE BY REPORT AND NEED NOT REQUIRE THE AFFIXATION OF TAX STAMP INDICIA PROVIDED THE SAMPLE PACKS ARE PROMINENTLY IDENTIFIED AS SAMPLE CIGARETTES AND NOT FOR SALE.

433.

(a) The EXCEPT AS PROVIDED IN § 432(B), THE rate or amount of tax levied and imposed shall be 6 1/2 cents for each ten cigarettes or fractional part thereof when such cigarettes are in packages containing 20 or fewer cigarettes each. On packs of cigarettes containing more than 20 cigarettes each, the first 20 cigarettes in each pack shall be taxed at the rate of 6 1/2 cents for each 10 cigarettes, and, the tax shall be 6.5 mills per cigarette on each cigarette in excess of 20 contained in each pack.