

(3) 0.65 OF A CENT FOR EACH CIGARETTE IN A PACKAGE OF MORE THAN 20 CIGARETTES.

(C) SUPPLEMENTAL RATE.

(1) IF THE FEDERAL TAX RATE FOR CIGARETTES UNDER 26 UNITED STATES CODE § 5701(B)(1) IS DECREASED TO A RATE THAT IS LESS THAN 0.8 OF A CENT FOR EACH CIGARETTE, THE SUPPLEMENTAL TOBACCO TAX RATE IS:

(I) THE AMOUNT OF THE FEDERAL TAX RATE DECREASE BELOW 0.8 OF A CENT FOR EACH CIGARETTE MULTIPLIED BY 10 FOR A PACKAGE OF 10 OR FEWER CIGARETTES;

(II) THE AMOUNT OF THE FEDERAL TAX RATE DECREASE BELOW 0.8 OF A CENT FOR EACH CIGARETTE MULTIPLIED BY 20 FOR A PACKAGE OF AT LEAST 11 BUT NOT MORE THAN 20 CIGARETTES; AND

(III) THE AMOUNT OF THE FEDERAL TAX RATE DECREASE BELOW 0.8 OF A CENT FOR EACH CIGARETTE MULTIPLIED BY THE NUMBER OF CIGARETTES IN A PACKAGE OF MORE THAN 20 CIGARETTES.

(2) A SUPPLEMENTAL TOBACCO TAX RATE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS EFFECTIVE AS OF THE 30TH DAY AFTER THE EFFECTIVE DATE OF A CHANGE IN THE FEDERAL TAX RATE THAT IMPOSES OR CHANGES THE SUPPLEMENTAL TOBACCO TAX RATE.

(3) ALL CIGARETTES IN THE POSSESSION OF OR SOLD BY A WHOLESALER ON OR AFTER THE EFFECTIVE DATE OF A SUPPLEMENTAL TOBACCO TAX RATE UNDER PARAGRAPH (2) OF THIS SUBSECTION ARE TAXED AT THE INCREASED RATE.

(D) RATE FOR SAMPLE CIGARETTES.

THE TOBACCO TAX RATE FOR A PACKAGE OF FREE SAMPLE CIGARETTES IS 0.65 OF A CENT FOR EACH CIGARETTE.

REVISOR'S NOTE: Subsection (a) of this section is new language added to clarify the applicability of the various rates set forth in this section.

Subsections (b) through (d) of this section are new language derived without substantive change from former Art. 81, §§ 432(b)(1) and 433.

In subsections (b) through (d) of this section, the defined term "tobacco tax" is substituted for the former references to the tax "levied and imposed" and to a supplemental "State tax", for clarity.

In subsections (b)(3) and (d) of this section, the references to a rate of "0.65 cent" are substituted for the former references to "6.5 mills" and "6 1/2 mills", for clarity.