

Subsection (c)(1) of this section is restated as a formula for a supplemental tax rate, for clarity. Therefore, the references to the "amount of the federal tax rate decrease below 0.8 of a cent" and the phrases "multiplied by 10", "multiplied by 20", and "multiplied by the number of cigarettes" are substituted for the former references to the "federal tax imposed" as being "less than \$8 per thousand cigarettes ... for each 10 cigarettes or fractional part ... and on each cigarette in excess of 20 ...".

In subsection (c)(3) of this section and throughout this title, the defined term "wholesaler" is substituted for the former word "distributor", for clarity and conformity to the terminology used in the cigarette industry and by the Comptroller. For further discussion of the substitution, see the General Revisor's Note to this subtitle.

Defined terms: "Cigarette" § 12-101  
 "Sell" § 12-101 "Tobacco tax" § 1-101  
 "Wholesaler" § 12-101

#### GENERAL REVISOR'S NOTE:

To revise the tobacco tax law accurately, the Tax - General Article Review Committee also revised Art. 56, §§ 607 through 631, to include applicable definitions from former Art. 81 and from the Commercial Law Article and to clarify certain terms and practices, where appropriate.

Under former Art. 81, a distributor license was issued for a one-time fee of \$1 and was effective for as long as the distributor remained in business. The license was intended only to allow a person to buy unstamped cigarettes from a manufacturer and to buy and affix tax stamps to cigarettes. Each distributor also was licensed as a cigarette wholesaler.

To clarify the scope of a cigarette wholesaler license, the Tax - General Article Review Committee combined the licensing provisions for a cigarette distributor, formerly in Art. 81, with the licensing provisions for a cigarette wholesaler, formerly in Art. 56, and designated the licensee as a "wholesaler" in this article and in present Art. 56. Therefore, Ch. \_\_\_\_\_, Acts of 1988, which enacted this article, also amended Art. 56, §§ 607 through 631 of the Code to allow a person who obtains a cigarette "wholesaler license" to engage in the business activities allowed under former Art. 81 and former Art. 56. The "wholesaler license fee" is amended to require a \$251 initial license fee and a \$250 annual license renewal fee.

To conform to the terminology used in the Md. Cigarette Sales Below Cost Act, CL §§ 11-501 through 11-510, and in the cigarette industry, the Tax - General Article Review Committee