

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 this article, and designated the licensee as a "wholesaler" in this subtitle and in the Tax - General Article. Therefore, Ch. _____, Acts of 1988, which enacted the Tax - General Article, also amended §§ 63 through 73 of this article 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 state 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 adopted the word "subwholesaler" to mean a person who is licensed to sell cigarettes to others for resale but may not buy unstamped cigarettes without a specific authorization. Ch. _____, Acts of 1988, also amended former §§ 63 through 73 -- now §§ 607 through 631 -- of this article to allow a person who obtains a cigarette "subwholesaler license" to perform only the activities that formerly were allowed under this article.

The amended sections of this article now appear in this new subtitle "Cigarette Licenses". Part II of this subtitle, "Cigarette Business Licenses", contains the restatement of former §§ 65 through 73 of this article. Part III of this subtitle, "License to Make Retail Sales of Cigarettes", contains the restatement of former §§ 63 and 64 of this article.

611. CIGARETTE BUSINESS LICENSE REQUIRED; EXCEPTION; MULTIPLE LICENSES.

(A) LICENSE REQUIRED.

(1) A PERSON SHALL BE LICENSED BY THE COMPTROLLER BEFORE THE PERSON MAY:

(I) ENGAGE IN THE BUSINESS OF A CIGARETTE SUBWHOLESALER IN THE STATE;

(II) ENGAGE IN THE BUSINESS OF A CIGARETTE VENDING MACHINE OPERATOR IN THE STATE; OR

(III) ENGAGE IN THE BUSINESS OF A CIGARETTE WHOLESALER IN THE STATE.