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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 765 Session of  
2013

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INTRODUCED BY DINNIMAN, FONTANA, TARTAGLIONE, COSTA, ERICKSON  
AND FARNESE, MARCH 26, 2013

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REFERRED TO FINANCE, MARCH 26, 2013

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AN ACT

1 Imposing a tax on smokeless tobacco; and providing for  
2 definitions.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Smokeless  
7 Tobacco Tax Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall  
10 have the meanings given to them in this section unless the  
11 context clearly indicates otherwise:

12 "Smokeless tobacco." A product containing finely cut,  
13 ground, powdered, blended or leaf tobacco made primarily for  
14 individual consumption which is intended to be placed in the  
15 oral or nasal cavity and not intended to be smoked. The term  
16 includes chewing tobacco, dipping tobacco and snuff.

17 "Smokeless tobacco distributor or wholesaler." A person  
18 engaged in the business of selling smokeless tobacco that sells,

1 exchanges or distributes smokeless tobacco to retailers,  
2 consumers or other wholesalers or distributors in this  
3 Commonwealth. The term includes a smokeless tobacco manufacturer  
4 that has within this Commonwealth any office, sales house or  
5 other place of business.

6 "Wholesale price." The price for which a smokeless tobacco  
7 manufacturer sells smokeless tobacco to a smokeless tobacco  
8 distributor or wholesaler, exclusive of any discount, rebate or  
9 other reduction.

10 Section 3. Imposition and rate of tax on smokeless tobacco.

11 (a) General rule.--Except as set forth in subsection (d), a  
12 tax is imposed on smokeless tobacco sold or held for sale in  
13 this Commonwealth by a smokeless tobacco distributor or  
14 wholesaler to a retailer or consumer. The tax is imposed on the  
15 smokeless tobacco wholesale price, regardless of the actual  
16 price at which the smokeless tobacco is sold and regardless of  
17 whether the smokeless tobacco is sold.

18 (b) Purchase of stamp.--A smokeless tobacco distributor or  
19 wholesaler that brings smokeless tobacco or causes smokeless  
20 tobacco to be brought into this Commonwealth is liable for the  
21 tax imposed by this section. The tax imposed is to be paid by  
22 the purchase of stamps as provided in this act. The stamp shall  
23 be affixed to or impressed upon each package of smokeless  
24 tobacco.

25 (c) Tax.--The tax imposed under this section shall be at the  
26 rate of 59.2% of the wholesale price of the smokeless tobacco.

27 (d) Applicability.--It shall be presumed that all smokeless  
28 tobacco within this Commonwealth is subject to tax. The burden  
29 of proof of exemption under this subsection is on the taxpayer  
30 or remitter claiming exemption.

1 Section 4. Effective date.

2 This act shall take effect in 60 days.