

2022 -- H 7232

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO TAXATION -- CIGARETTE AND OTHER TOBACCO PRODUCTS TAX

Introduced By: Representative Terri-Denise Cortvriend

Date Introduced: January 28, 2022

Referred To: House Corporations

(By Request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 44-20-1 and 44-20-2 of the General Laws in Chapter 44-20 entitled
2 "Cigarette and Other Tobacco Products Tax" are hereby amended to read as follows:

3 **44-20-1. Definitions.**

4 Whenever used in this chapter, unless the context requires otherwise:

5 (1) "Administrator" means the tax administrator;

6 (2) "Cigarettes" means and includes any cigarettes suitable for smoking in cigarette form,
7 and each sheet of cigarette rolling paper, including but not limited to, paper made into a hollow
8 cylinder or cone, made with paper or any other material, with or without a filter suitable for use in
9 making cigarettes;

10 (3) "Dealer" means any person whether located within or outside of this state, who sells or
11 distributes cigarettes and/or other tobacco products to a consumer in this state;

12 (4) "Distributor" means any person:

13 (A) Whether located within or outside of this state, other than a dealer, who sells or
14 distributes cigarettes and/or other tobacco products within or into this state. Such term shall not
15 include any cigarette or other tobacco product manufacturer, export warehouse proprietor, or
16 importer with a valid permit under 26 U.S.C. § 5712, if such person sells or distributes cigarettes
17 and/or other tobacco products in this state only to licensed distributors, or to an export warehouse
18 proprietor or another manufacturer with a valid permit under 26 U.S.C. § 5712;

19 (B) Selling cigarettes and/or other tobacco products directly to consumers in this state by

1 means of at least twenty-five (25) vending machines;

2 (C) Engaged in this state in the business of manufacturing cigarettes and/or other tobacco
3 products or any person engaged in the business of selling cigarettes and/or other tobacco products
4 to dealers, or to other persons, for the purpose of resale only; provided, that seventy-five percent
5 (75%) of all cigarettes and/or other tobacco products sold by that person in this state are sold to
6 dealers or other persons for resale and selling cigarettes and/or other tobacco products directly to
7 at least forty (40) dealers or other persons for resale; or

8 (D) Maintaining one or more regular places of business in this state for that purpose;
9 provided, that seventy-five percent (75%) of the sold cigarettes and/or other tobacco products are
10 purchased directly from the manufacturer and selling cigarettes and/or other tobacco products
11 directly to at least forty (40) dealers or other persons for resale;

12 (5) "Importer" means any person who imports into the United States, either directly or
13 indirectly, a finished cigarette or other tobacco product for sale or distribution;

14 (6) "Licensed," when used with reference to a manufacturer, importer, distributor or dealer,
15 means only those persons who hold a valid and current license issued under § 44-20-2 for the type
16 of business being engaged in. When the term "licensed" is used before a list of entities, such as
17 "licensed manufacturer, importer, wholesale dealer, or retailer dealer," such term shall be deemed
18 to apply to each entity in such list;

19 (7) "Manufacturer" means any person who manufactures, fabricates, assembles, processes,
20 or labels a finished cigarette and/or other tobacco products;

21 (8) "Other tobacco products" (OTP) means any cigars (excluding Little Cigars, as defined
22 in § 44-20.2-1, which are subject to cigarette tax), cheroots, stogies, smoking tobacco (including
23 granulated, plug cut, crimp cut, ready rubbed and any other kinds and forms of tobacco suitable for
24 smoking in a pipe or otherwise), chewing tobacco (including Cavendish, twist, plug, scrap and any
25 other kinds and forms of tobacco suitable for chewing), any and all forms of hookah, shisha and
26 "mu'assel" tobacco, snuff, and shall include any other articles or products made of or containing
27 tobacco, in whole or in part, or any tobacco substitute, except cigarettes;

28 (9) "Person" means any individual, including an employee or agent, firm, fiduciary,
29 partnership, corporation, trust, or association, however formed;

30 (10) "Pipe" means an apparatus made of any material used to burn or vaporize products so
31 that the smoke or vapors can be inhaled or ingested by the user;

32 (11) "Place of business" means any location where cigarettes and/or other tobacco products
33 are sold, stored, or kept, including, but not limited to; any storage room, attic, basement, garage or
34 other facility immediately adjacent to the location. It also includes any receptacle, hide, vessel,

1 vehicle, airplane, train, or vending machine;

2 [\(i\) For mobile tobacco sales, an automobile or truck shall be considered a place of business.](#)

3 (12) "Sale" or "sell" means gifts, exchanges, and barter of cigarettes and/or other tobacco
4 products. The act of holding, storing, or keeping cigarettes and/or other tobacco products at a place
5 of business for any purpose shall be presumed to be holding the cigarettes and/or other tobacco
6 products for sale. Furthermore, any sale of cigarettes and/or other tobacco products by the servants,
7 employees, or agents of the licensed dealer during business hours at the place of business shall be
8 presumed to be a sale by the licensee;

9 (13) "Stamp" means the impression, device, stamp, label, or print manufactured, printed,
10 or made as prescribed by the administrator to be affixed to packages of cigarettes, as evidence of
11 the payment of the tax provided by this chapter or to indicate that the cigarettes are intended for a
12 sale or distribution in this state that is exempt from state tax under the provisions of state law; and
13 also includes impressions made by metering machines authorized to be used under the provisions
14 of this chapter.

15 **44-20-2. Importer, distributor, and dealer licenses required -- Licenses required.**

16 Each person engaging in the business of selling cigarette and/or any tobacco products in
17 this state, including any distributor or dealer, shall secure a license from the administrator before
18 engaging in that business, or continuing to engage in it. A separate application and license is
19 required for each place of business, [including an automobile or truck for mobile tobacco sales, as](#)
20 [set forth in § 44-20-1](#), operated by a distributor or dealer; provided, that an operator of vending
21 machines for cigarette products is not required to obtain a distributor's license for each machine. If
22 the applicant for a license does not have a place of business in this state, the license shall be issued
23 for such applicant's principal place of business, wherever located. A licensee shall notify the
24 administrator within thirty (30) days in the event that it changes its principal place of business. A
25 separate license is required for each class of business if the applicant is engaged in more than one
26 of the activities required to be licensed by this section. No person shall maintain or operate or cause
27 to be operated a vending machine for cigarette products without procuring a dealer's license for
28 each machine.

29 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would include an automobile or truck as a place of business to sell tobacco
- 2 products, including mobile tobacco sales.
- 3 This act would take effect upon passage.

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